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**HUNGER IN AMERICA: PUBLIC AND PRIVATE
RESPONSES**

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Hunger in America: Public and Priva...

HEARING
BEFORE THE
SUBCOMMITTEE ON REGULATION, BUSINESS
OPPORTUNITIES, AND TECHNOLOGY
OF THE
COMMITTEE ON SMALL BUSINESS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

WASHINGTON, DC, DECEMBER 21, 1994

Printed for the use of the Committee on Small Business

Serial No. 103-113



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HUNGER IN AMERICA: PUBLIC AND PRIVATE RESPONSES

WEDNESDAY, DECEMBER 21, 1994

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON REGULATION, BUSINESS
OPPORTUNITIES, AND TECHNOLOGY,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:37 a.m., in Room 2203, Rayburn House Office Building, Hon. Ron Wyden (chairman of the subcommittee) presiding.

Chairman WYDEN. The subcommittee will come to order.

Today, the Subcommittee on Regulation and Business Opportunities holds its final hearing of the 103d Congress on a problem that seemingly has no end.

As we speak, millions of our fellow Americans are going hungry. In our rich Nation with its extraordinary resources, we witness the tragedy of older people scrounging in dumpsters for their next meal.

This is a picture that shames all of us as a Nation.

Our hungry poor are not only the elderly. They include the homeless, and mothers with young children. Some have physical disabilities. Some have mental infirmities. Most are handicapped only by poverty. Over the years, both the Government and private charities, and increasingly business, small and large, have made efforts to try to assist.

Tragically, the efforts of the public and private sector, which are significant, don't come close to meeting the needs of persons desperate for a decent meal. This problem is the focus of today's hearing.

The task ahead is a daunting one. According to the Wall Street Journal, in spite of the Federal statute providing free meals to those who are over 60, several million older people are going hungry and this number is growing. Better than 50 percent of the older people who are eligible for nutrition assistance are not enrolled to receive the benefits.

According to the Congressional Hunger Caucus, more than 20 million Americans face hunger at least several times per month. Twenty-seven million of our fellow citizens are receiving food stamps, and 26 million rely on food banks for basic nutrition. Meanwhile, the \$27 billion per year food stamp program loses close to \$1.8 billion per year to waste, fraud, and abuse in part due to lax Government investigation and enforcement efforts. These losses

deny sorely needed benefits to hungry Americans and, in my view, place this program in political jeopardy.

One American in five relies on Government-sponsored food programs. Approximately 90 percent of these Americans are women, their children, and the elderly.

During the next Congress, there is going to be a vigorous debate over the future of welfare programs. So far, the proposals before the Congress stretch across the ideological spectrum. They range from expansion of costly and sometimes inefficient Great Society Programs to returning to an earlier philosophy that leaves the poor to more or less fend for themselves.

These opposing views are red meat for a protracted ideological battle. The hungry of America cannot wait for one side or the other to declare victory. The Urban Institute reports that Federal feeding programs leave at least two-thirds of the elderly poor uncovered. According to a recent Tufts University report, after a reduction in the number of nutritionally deficient individuals during the 1970's, the number of hungry Americans grew by 50 percent between 1985 and 1991.

There are huge holes in the social safety net when it comes to feeding the elderly poor and millions of others in need. Responding to this crisis is going to take more than Republican or Democrat, liberal or conservative dogma. The challenge now is to build a bipartisan solution that consolidates both public and private efforts to bring better nutrition to millions of hungry Americans.

In my view, there is bipartisan support in the Congress for the proposition that Government has a role to play in feeding the hungry. No one is going to argue against the consensus that senior citizens ought to have access to good nutrition.

Corporate and nonprofit private programs need to shoulder a larger share of the burden. There has to be better coordination and cooperation between Government, corporations, and charities to support food and nutrition programs.

The basis for this kind of collaboration does exist. In my home State of Oregon, for example, food pantries distribute some 18 million pounds of donated groceries per year to more than 400,000 individuals. One-fourth of this food has come from Federal surplus programs.

Today, the subcommittee is going to hear descriptions of feeding projects organized by the commercial credit card industry and those in the restaurant business. Also, Father Robert Sirico of the Acton Institute will offer suggestions about how Government can become more of a facilitator and less of an obstacle to greater charitable giving. Officials of two of the Nation's leading food banks, Second Harvest of Chicago and Focus: HOPE of Detroit, will also be asked for their views about how it would be possible to increase private giving.

Unfortunately, some of the key sources of supply for private banks are now drying up. Last year, more than 1 billion pounds of donated food flowed to food banks from the Nation's supermarkets and food companies. This year it appears that donations from supermarket companies have dropped significantly for two reasons: First, an increasing amount of damaged food was so-called "salvaged" by commercial food repackaging and resale companies

and as a result has been denied to charity. Second, grocery chains faced with tighter operating budgets improved inventory controls and cut some of the surplus goods that were once available.

Donations to Second Harvest, coordinator of the Nation's largest network of food banks, slipped 11.2 percent during the first 10 months of this year. This is a drop of more than 23 million pounds of food. One supermarket industry analyst said that in the coming year the salvage food business could cut food bank donations across this country by another 30 percent. At the same time, surplus food donations to food banks through the Federal commodities program are likely to be reduced by almost two-thirds next year.

Millions of those who use food banks may be caught in a squeeze between the food companies that are reducing their operating costs and Government programs whose function is being reduced. Government is going to have to do better, both for the poor and for the Nation's taxpayers.

Today, the subcommittee is going to scrutinize the current lineup of Federal feeding and nutrition programs with an eye to streamlining bureaucracy and freeing up dollars to feed the hungry. Congress ought to look at the savings that might be realized by combining the current 14 U.S. Department of Agriculture feeding and nutrition programs into as few as 4 primary programs to offer nutrition.

These would include a basic food assistance program, a supplemental assistance program for school children in an educational setting, a supplemental program for pregnant women and infants who are at risk, and an assistance program for the Nation's vulnerable elderly.

Congress should make it easier for food manufacturers to provide food at the lowest cost possible to nonprofit food banks. Businesses that want to take advantage of mass production opportunities for nonprofit customers and lower their costs have, in fact, been stymied by numerous and conflicting local standards.

For the elderly specifically, the National Senior Citizens Law Center will testify today about a number of sensible, cost-effective recommendations to better assist the Nation's older people. I am especially interested in examining the idea of training many more volunteers to assist the staff of Area Agencies on Aging. The Area Agencies on Aging are in fact, the gateway to serving the elderly of this country. If there were additional volunteers working with the Area Agencies on Aging, these volunteers could provide transportation, home cooking, and nutritional advice, and assistance for seniors in cutting through the bureaucracy that very often can confound just about anybody who is not some kind of a Philadelphia lawyer.

Finally, it is absolutely critical that the Department of Agriculture get tough on the waste, fraud, and abuse that is now present in the food stamp program. This subcommittee has been pushing for years through two successive administrations for a comprehensive antifraud effort that would be led by the Department of Agriculture. The Department's failure to put in place a comprehensive antifraud effort with respect to the food stamp program is damaging the cause of feeding this Nation's hungry.

This subcommittee is very pleased to have with us today Mary Ann Keeffe, U.S. Department of Agriculture Deputy Administrator for Special Nutrition Programs, and Assistant Secretary for Aging, Fernando Torres-Gil. These two officials directly administer most of the Government's \$40 billion per year feeding and nutrition programs.

We also welcome several seniors from the Washington area who participate in a number of feeding programs with public support. Ms. Jean Londner and Ms. Mary Marshall are going to be with us today. I think one of them is still on the way, but I believe Ms. Londner is with us here today.

Ms. Londner, we welcome you, if you will come forward. We have got some brief formalities. Because Ms. Marshall is still on her way, why don't we—oh, very good. Ms. Marshall is here to join us. Let's just wait a moment and make it possible for her to get situated. We are very pleased that you are here, Ms. Marshall. Why don't you come forward and please get comfortable.

Ms. Marshall, we thank you. We are just getting started and know that you were up against all that holiday traffic and all that and we are very grateful for you coming. It is the practice of this subcommittee to swear all the witnesses who come before us and I think it might be appropriate—let's see if we have got a microphone problem here. I think just in the interests of again making this comfortable to get your views, why don't you all stay seated and if you would just raise your right hand.

[Witnesses sworn.]

Chairman WYDEN. We welcome you both. I know it has been hard to work out arrangements to have you both come and, Ms. Londner, why don't we begin with your testimony, and we thank you for your cooperation.

[Chairman Wyden's statement may be found in the appendix.]

TESTIMONY OF JEAN LONDNER, RESIDENT, B'NAI B'RITH HOMECREST HOUSE

Ms. LONDNER. Thank you. Good morning. My name is Jean Londner and it is an honor to be here this morning representing the B'nai B'rith Senior Housing Network.

I am 79 years old and will be turning 80 in March. I am a resident at the B'nai B'rith Homecrest House in Silver Spring, Maryland. Having worked as a medical assistant for many years, and now as a resident of Homecrest for the last 15 years, I know firsthand how important nutrition issues are for older people. Food affects our health in many ways, including our moods and how our body reacts to the medications we take.

For more than 2 decades, B'nai B'rith has been involved in a cooperative partnership with the U.S. Department of Housing and Urban Development to make available rental apartments which senior citizens with limited or fixed income can afford.

Today, B'nai B'rith is the largest national Jewish sponsor of federally subsidized housing for the elderly. That includes a network of 27 buildings, apartment buildings, including Homecrest House, with five more buildings under development. The B'nai B'rith Homecrest House consists of a total of three buildings. The first two opened in 1979 and 1985 and are Section 202 housing for the

elderly. Our third building, an assisted living facility, was developed with State and local funding.

I consider myself very fortunate to live in a place like the B'nai B'rith Homecrest House where I can participate in many programs, one of the most important being the meal program. Every day between 5 and 6:30 p.m., I dine with my friends and neighbors in a lovely central dining room. Served to us is a hot nutritional meal that starts with an appetizer and finishes with dessert. These meals are served 7 days a week, 365 days a year. There has been a meal program since the first building opened in 1979.

We pay \$5.69 per meal. The additional cost of the meal is subsidized by the Foundation for Homecrest House. Until recently, we received a subsidy from the Montgomery County Nutrition Program. However, because Homecrest House could not afford to comply with the Older Americans Act regulations, of only asking for a donation and not charging participants a specific amount, we were unfortunately no longer eligible for the funding and it was discontinued.

The meal program is particularly meaningful for me now because I have a very bad back, very limited motion in my left hand due to a torn rotator cuff, and I have lost my vision in my right eye due to a stroke in the optic nerve. I would find it extremely difficult to prepare dinner, especially if I had to do it every day. If this program was not available, I would not receive the nutritious diet that I do now.

In addition, I know there are many people, including my friends and neighbors at Homecrest, who, due to poor health, health related and other problems, depend on the meal program for at least one nutritious meal a day.

Friends of mine who are diabetic tell me how important the meal program is for them. A proper diet is one of the best ways to control diabetes. Their participation in the meal program ensures that they will get at least one well-balanced, low-fat, low-sodium meal a day.

That is why a nutrition program such as the one at Homecrest House is so very important. Any reduction in funding for nutrition programs would be disastrous for the elderly. I respectfully urge the Members of this subcommittee to support the continuation of nutrition programs for the elderly.

Thank you very much for the opportunity to address you today.

Chairman WYDEN. Well, thank you very much, Ms. Londner, and that is very helpful and I will have some questions here in just a couple of minutes.

[Ms. Londner's statement may be found in the appendix.]

Chairman WYDEN. Ms. Marshall, we welcome you. We especially appreciate your fighting all that traffic and the hassle of coming, and please proceed as you like.

TESTIMONY OF MARY MARSHALL, PARTICIPANT, DOWNTOWN CLUSTERS GERIATRIC DAY CARE CENTER

Ms. MARSHALL. My name is Mary Marshall. I am speaking today as a 73 year old who knows what it is like to be old and not to have lots of money.

For me, and other elderly persons like me, getting enough to eat is a daily challenge. I have worked all my life at different jobs. Most recently, while I was still physically able, I worked full-time as a cashier in a gasoline station. I have done domestic work, worked at the airport, cleaned train cars for the railroad. But these jobs did not give me enough money to retire on without needing additional assistance.

In 1984, I began having severe circulation problems. My job at the gasoline station did not provide health insurance. I had to quit and go into the hospital. I stayed at the first hospital for a while, but that was—they wouldn't treat me because I didn't have insurance. I went home and my condition began to get worse. Finally, my daughter-in-law took me to a different hospital and they treated me and helped me get Medicaid and Medicare.

Both of my legs were amputated and I got around in a wheelchair. After the operation, I applied for food stamps, but I had to wait for 6 or 7 months before I got started receiving them. In the meantime, I had to rely on my small savings and on friends and family to help me in the meantime.

I cannot go to the grocery store by myself. I receive \$97 a month in food stamps, and I also get supplemental food from a distribution center that delivers groceries to my home once a month. I cannot survive without the supplemental food. With food stamps and supplemental food, I am able to manage, but without them I don't know what I would do.

I go to the downtown Clusters Geriatric Day Care Center 3 days a week from 9:30 to 3. I get to the center by a special bus that picks me up. The center provides a nice hot lunch and other activities, such as movement therapy, art therapy, occupational therapy, which includes an arthritis group. The center gives me a chance to socialize, which is also very important to me.

Of course, I have some special needs. I receive both Medicare and Medicaid and, if I didn't, I would be in real trouble. I can't afford private insurance. I live alone in an apartment that is subsidized by the Government. I am in the process of buying my apartment, which is sponsored by a Government program called HPAC, but the Government also pays for a homemaker to come in twice a week to help me do my cleaning and laundry, which I can't get to the laundry because it is on another floor. She also goes to the store for me.

I have a son who lives in Fairfax, so he is not too far away but he cannot see to my daily needs. I also have another son who is a physically challenged person like myself.

I don't think my situation is very unusual. I have worked and raised a family. As I got older, I got some health and disability problems. I've been on the private and public programs for some of my basic needs. I don't have a lot, but I am doing okay. If that support was taken away, I honestly don't know what I would do.

Thank you very much.

Chairman WYDEN. Ms. Marshall, thank you very much.

[Ms. Marshall's statement may be found in the appendix.]

Chairman WYDEN. Thank you, Ms. Londner. We very much appreciate both of you coming. I felt it was extremely important because in the Congress everybody talks about people who are hun-

gry and there are lots of debate about budgets and Government agencies and various bureaucracies doing one thing or another, but essentially what budgets are about, they are values, the values that are important to the American people. It just seems to me that up at the top of the list we have got to make it a priority to make sure that older people get a fair shake and particularly can get access to good nutrition.

My sense, maybe we can start with you, Ms. Marshall, that you and a lot of your friends were just walking on an economic tight-rope, maybe have to figure out how to get your food taken care of, and then it is a little harder to get your medicine and if you pay for your medicine, then something else has to give.

Is it your sense that if there are reductions in the kind of food programs that you are talking about that just sort of pushes you off the tightrope and you aren't going to be able to make ends meet?

Ms. MARSHALL. It really does because, like myself, there are so many others. Now, my income is under \$500 a month. Without the supplemental food program and the same program, which I get, and I also got a nice hot lunch at the center where I go, that helps me tremendously to make me stretch my money.

Chairman WYDEN. Tell me, and I appreciate you going through it, this \$500 a month, this has got to cover your apartment, it has got to cover your food. What else does that go to? I have got to think there aren't a whole lot of luxuries in there with that kind of budget.

Ms. MARSHALL. There are no luxuries. I am under 500. I don't get 500. I wish I did, but I don't get 500. I have to buy things for myself, personal things. I also have to buy soap powder and things like that that you can't get with food stamps. I have to buy some clothing once in a while.

Chairman WYDEN. A bar of soap doesn't sound like much of a luxury to me.

Ms. MARSHALL. No, it isn't. That's a necessity.

Chairman WYDEN. And your apartment cost what, maybe a couple hundred dollars a month; \$150, \$175, your rent for your apartment?

Ms. MARSHALL. I'm at—my rent is \$263.

Chairman WYDEN. Two hundred sixty-three. So, of that \$500, \$263 right off the top is for the rent.

Ms. MARSHALL. Yes.

Chairman WYDEN. The other \$250 a month or thereabouts goes for everything else.

I am sure you have been listening to this discussion that is being held in the Congress about all these changes. Do you find these frightening? Is some of what you have been hearing get debated in the Congress frightening to you and some of the other seniors who are concerned about what is ahead?

Ms. MARSHALL. It's very frightening to me because as a child I grew up during the Depression years and so therefore I know what it means to do—to have to go—of course I don't have to worry about shoes now, but I did then and I know how it—you had to make shift—put newspaper in your shoes because you weren't able

to buy shoes and things and there was so much stuff that you had to go without.

Chairman WYDEN. Tell me a little bit about the programs that you work with. You are involved in the supplemental food program and the day care center program.

Ms. MARSHALL. Yes.

Chairman WYDEN. How much do you have to pay for those programs?

Ms. MARSHALL. I don't pay anything.

Chairman WYDEN. You don't pay anything for those programs. If these programs were combined, say, a couple of these programs that you are involved were combined, do you think something like that would make sense in terms of saving some of the administrative costs and getting more dollars actually to people like you for services?

Ms. MARSHALL. I'm not sure that I understand what you mean.

Chairman WYDEN. OK.

Ms. MARSHALL. I go to a day care center. That's a different program.

Chairman WYDEN. I think what is under discussion is whether you could go to just one office if you combined the food stamp program with one of these other programs, you just go to one office and that way save some of the administrative hassle and also have more dollars for the hungry.

Ms. MARSHALL. Well, under the food stamp program I am only eligible for \$97, and the supplemental food is another program that I get that has nothing to do with the food stamps at all. That enables my food stamps to go further.

Chairman WYDEN. Well, I think you are making a good point. Clearly for a lot of older people, some of these so-called "administrative savings" are going to be hard to get but it is, as I am sure you have seen in the news, one of the things being discussed is the idea of combining some of these programs and making it easier for people to get to them and at the same time freeing up some dollars that could serve the hungry.

Let me ask you about one other idea. Do you think the Federal Government has been as helpful as it could be in terms of getting you information about what is actually available to older people? It sounded a little bit like it was hard for you to get some of the information about the food assistance program.

Ms. MARSHALL. It all depends—some people have social workers that look into these things for them, but I was never assigned with a social worker so therefore I had to look into these programs. As they were told to me, I would have to look into them for myself.

Chairman WYDEN. You ended up having to wait half a year when you were already finding it hard to make ends meet; you had to wait about a half a year just to get the food stamps.

Ms. MARSHALL. Yes. Well, that's the way they work.

Chairman WYDEN. It just seems that the system ought to work better for somebody like you.

Ms. MARSHALL. Most definitely.

Chairman WYDEN. I kind of add this thing up and you have \$500 a month or you said a little bit less. You got \$260 right off the top for your rent, then you have to pay for your food and medicines and

the like, and then you got to wait 6 or 7 months just to try to get some assistance with the major program. We are going to look at all the ways to combine some of these programs and make them easier for people to get to, but I want you to know, I want you to know more than anything else that I and other Members of Congress are going to work our heads off to make sure that the assistance that comes to you is not going to be reduced, because I don't think that is what America is supposed to be all about. I don't think that's what the American Government is supposed to be all about.

Your trip here has been important because it gives us a chance to get beyond looking at just budgets and facts and figures and charts and the like, and now I can tell my colleagues that you know Mary Marshall came and fought the traffic and fought the hassle to get on down here and actually tell the Congress a little bit about how tough it is right now on some of the seniors to get the nutrition and the meals that they need and you have said it very well. You said it so much better than any Government report or Government expert could do, and as all of these changes get looked at and we try to find the savings, for me, the bottom line is going to be to make sure that the help that is available to somebody like you, and I think my constituents at home in Oregon, and I think the vast majority of Americans, want older people like you to get a fair shake and we are not going to support anything in the Congress that denies that. I just sure appreciate your coming.

Ms. MARSHALL. Thank you so much and I'm sure others like myself thank you also.

Chairman WYDEN. I may have some more questions for you here in a moment.

Ms. MARSHALL. All right.

Chairman WYDEN. You said it so well. I think you got us off to a good start.

Now, Ms. Londner, tell us a little bit about the situation at Homecrest House. You all buy and prepare your own breakfasts and lunches there. You go to the grocery store and somebody brings in the groceries.

Ms. LONDNER. We have a bus that takes us to the supermarkets.

Chairman WYDEN. Do a lot of the people there find it hard to afford the food for breakfast and lunch?

Ms. LONDNER. I would imagine some of them do.

Chairman WYDEN. Are there people at the Homecrest House who give advice on nutrition for the food that you and others prepare for themselves?

Ms. LONDNER. Yes, from time to time we have a nutritionist come in.

Chairman WYDEN. Now, what would be your advice to the Congress in terms of looking at these various programs? I think you heard me discuss a bit with Ms. Marshall that the Congress is going to be looking at ways to try and save on the administrative costs and the overhead, to get more dollars to older people who are hungry. You all, I guess, had a bit of a frustrating experience with the Older Americans Act at your program.

What would be your suggestion, either for the Older Americans Act or any of the other hunger programs to try to make them work better and help more older people?

Ms. LONDNER. Well, my concern is that the older people, we are getting to be a large part of the population and if some of these things were to be cut under us, I think it would be a disaster.

What would we do? I, too, I admire Ms. Marshall. I, too, would have a terrible problem with that. Homecrest is a blessed place to live in and I am very, very fortunate to be able to live there. We have our food meetings, but we all manage very, very well.

Chairman WYDEN. What kind of program is Homecrest exactly in terms of the overall services that are offered?

Ms. LONDNER. It is independent living, strictly independent living, except for our assisted housing. As I said, we have the one meal a day. We have a resident council, we have our own little synagogue. We have a B'nai B'rith unit. We are a very functional building, but of course the most important thing to older people, as I said in my statement, was getting the proper food because I know for myself my medications per month are close to \$300.

Chairman WYDEN. So the \$300 goes for what exactly?

Ms. LONDNER. My medications per month.

Chairman WYDEN. That you have to pay for out of your own pocket because Medicare doesn't cover it?

Ms. LONDNER. That's right.

Chairman WYDEN. So in a situation like some have been discussing, if the support for food programs goes down and medications which are starting to rise again, the price of medicine was held back a little bit because some of these big prescription drug companies didn't want to be the poster child when Congress was debating the health bill, but I saw that they are starting to go up the other day again.

Ms. LONDNER. I know.

Chairman WYDEN. So if your prescription costs go up, and the food support goes down, as some in the Congress seem to think is OK, I assume that that would cause a lot of harm at Homecrest?

Ms. LONDNER. It certainly would.

Chairman WYDEN. Homecrest, then, is a public-private kind of program?

Ms. LONDNER. Facility.

Chairman WYDEN. Is it your sense that if some of the older people at Homecrest don't get the kind of good nutrition you are talking about or these programs get cut, that they would face additional health problems pretty shortly thereafter?

Ms. LONDNER. There is no doubt about that, absolutely no doubt if they have to choose between buying food or ordering your prescription, when you are hungry you've got to have food and if you don't have your prescription you are in deep trouble.

Chairman WYDEN. Let me ask you both, maybe we can get you back into this, Ms. Marshall. I remember back in my days when I was director of the Gray Panthers, I ran the senior citizens group at home for about 7 years before I was elected to Congress. What we found with a lot of older people when there wasn't enough money to go around and couldn't take care of nutrition and the like, if they were given a prescription and they were supposed to

take three pills a day and money was coming up short, they would end up taking two pills a day and after awhile they would start taking one.

Is that the kind of thing you are still seeing from the senior citizens? Maybe you two could tell me. I think I would rather hear from you if that is the kind of thing that is going on.

Ms. MARSHALL. I don't necessarily have a problem with the medication. I am on four different kinds of medication, but am fortunate to have Medicaid and I only have to pay 50 cents per prescription, so I'm real fortunate in that.

Chairman WYDEN. Medicaid does help in that area.

Ms. MARSHALL. Yes.

Chairman WYDEN. What about you, Ms. Londner, what are you seeing in terms of the—I guess it—maybe it is more appropriate for you, because I guess a lot of the people who have more than Medicaid allows would be especially hard hit by something like this, wouldn't they?

Ms. LONDNER. It would be terrible. I know one medication that I take, it is one a day, has gone up from \$3 a pill to \$4. That has got to be taken every day. I would have to choose. I am very frightened because I need all the medications that I take for various reasons, and it is a very frightening thought to me to have to be able to choose with do I buy food and other necessities or do I drop some of my medication?

Chairman WYDEN. I think that really sums up the job for this upcoming Congress. I do not think that the Nation's senior citizens ought to have to live in fear about the prospect of having to choose whether they get a good meal or take their medicines their doctor suggests.

I don't think it is a luxury in America to say that senior citizens on a modest income have a right to decent nutrition and be in a position to be able to afford essential medicine. So, you all have, I think, done a great service.

I know it hasn't been easy to come and work all this out with the traffic and with the holidays and the like, but I think you have sent a very, very important message about how important these kinds of services are to older people.

We are going to look, and this is what we started talking about, Ms. Marshall, at all of the possibilities for making these programs more efficient, trimming some of the unnecessary layers of bureaucracy and administrative costs, but what is not negotiable in my view is that older people have got to get some assistance for some of these essentials like food and medicine, and we are not going to let the next Congress pull that kind of safety net out from under vulnerable older people, and you all have been great to come and have said it, as I say, a lot better than any Government expert could do.

So I always like to give you all the last word. Is there anything that you two would like to add by way of additional comments?

Ms. LONDNER. Your help would be tremendously helpful.

Chairman WYDEN. I thank you.

Ms. Marshall, anything you want to add?

Ms. MARSHALL. That's just the way I feel, too. If there is anything that can be done, we need it.

Chairman WYDEN. All right. I thank you both. Good holidays to both of you and I am very appreciative of you both coming.

Ms. MARSHALL. Thank you so much.

Chairman WYDEN. Our next panel will be Eleanor Josaitis, associate director of Focus: HOPE of Detroit, Michigan, and Christine Vladimiroff, president and CEO of Second Harvest of Chicago, Illinois. If you both will come forward.

Let's see if we have got everybody. Ms. Josaitis of Focus: HOPE in Detroit. Ms. Vladimiroff. Ms. Josaitis, you are accompanied by Mr. Cunningham, who is the—Father Cunningham who is with your project as well.

Ms. JOSAITIS. Father Cunningham is the director of Focus: HOPE, so he joins me today.

Chairman WYDEN. Father, do you anticipate being involved in some of the discussion answering questions?

Father CUNNINGHAM. Not unless there is a question.

Chairman WYDEN. Let me ask, it is the practice of this subcommittee to swear all the witnesses. Do any of you three have any objection to being sworn as witnesses? Please rise and raise your right hand.

[Witnesses sworn.]

Chairman WYDEN. We are going to make your prepared statements a part of the hearing record in their entirety, and if you could take a few minutes and just talk to us, that will be helpful. I know we all kind of have sort of an almost biological need to read everything that we have got in front of us, but you all are so expert in this area, if you would just talk to us for a few minutes, that will be very helpful.

Why don't we begin with you, Ms. Josaitis.

TESTIMONY OF ELEANOR JOSAITIS, ASSOCIATE DIRECTOR, FOCUS: HOPE, ACCOMPANIED BY FATHER WILLIAM CUNNINGHAM, DIRECTOR, FOCUS: HOPE

Ms. JOSAITIS. Thank you, Mr. Chairman.

We appreciate the opportunity to testify today on behalf of the Commodity Supplemental Food Program which serves pregnant women, preschool children, and the elderly. With me is Father Cunningham, the director of the organization.

Focus: HOPE is an organization that was confounded after the Detroit riots, 1967, and at that time Father Cunningham and I pledged ourselves to intelligent and practical action to overcome racism, poverty, and injustice, and it is with that in mind that we are most appreciative of being able to come to the table today and talk about our food program and talk about some of our solutions.

Rather than giving written testimony, we have brought with us a videotape that your team was kind enough to give us the opportunity to share with you.

Chairman WYDEN. Good. I would like to have a chance to see it. Let's get the lights and I would like to see the good work that you all are doing.

Ms. JOSAITIS. I, like you, Mr. Chairman, was very appreciative of the former people who were addressing their comments.

The opening person you are going to see on here is a volunteer for our senior program.

[Video tape presentation shown.]

Chairman WYDEN. Well, I thank you very much for showing that. That sends also an exceptionally important message, because the Congress needs to hear about examples of programs that work and in effect, help people through food assistance and other aid to get out on their own, to be independent and to leave public assistance behind, and I very much appreciate the way you and Father Cunningham made it I think very blunt and very straightforward, that that was your goal and that was what your program was about.

Why don't you proceed with any additional comments you would like to make.

Ms. JOSAITIS. Mr. Chairman, I have two comments that I would like to make. Number one, the program, the Commodity Supplemental Food Program, works. It is a cost-effective program, and I plead with you as you go forth with this new Congress that you do not pit mothers and children against the elderly. That is what I would please beg of you.

The second thing that I want to ask of you is the senior citizens sent me here today and they asked me to give you a message. Always in the food package for the commodity supplemental food program for years and years has been cheese, 5 pounds of cheese. The senior citizens say to me, Eleanor, you don't know how grateful we are for that cheese. We are not wealthy people and we don't go out and buy steak, but if we have cheese we can make cheese sandwiches, we can make tuna casserole, and on and on they go with their menu.

The cheese has been removed from the program, and the Department of Agriculture chose not to buy cheese to put in the program. So, if I bring you a message, I ask you, would you please help us with that fight and would you help us return the cheese to the elderly particularly, who love it, but also to the mothers and children, because it does indeed stretch the food dollar, and make things a lot easier.

[Ms. Josaitis' statement may be found in the appendix.]

Chairman WYDEN. Can I ask you just one question? I am going to break out of the traditional congressional ritual here. You are talking about the cheese and it being removed. Does that mean—because cheese is a source of protein.

Ms. JOSAITIS. Absolutely.

Chairman WYDEN. Does that mean that for a lot of older people they are essentially not going to get their protein if they don't get that cheese?

Ms. JOSAITIS. That is absolutely right. On the back of my testimony here, there are two graphic pictures of the food that the Department of Agriculture gives and makes available to both mothers and children and the elderly, and we know that the food we deliver we can deliver for half the amount of money. It is a program that works, sir. Thank you.

Chairman WYDEN. Well said.

Father, do you want to add anything?

Father CUNNINGHAM. No. Just that when we talk about combining or extrapolating and getting the problem solved, then we have to look at much more than food programs in this country. I saw a

line item of something like \$27 billion for food, food stamps. That is the exact amount of money that Senator Kassebaum and Senator Kennedy reported out for training programs in the United States. If you think food programs are all over the map, probably of the \$27 billion we spent on training last year, of the vast majority that is spent on truck drivers and cosmetologists. I think every citizen in the city of Detroit is a licensed beautician and truck driver. It is incredible how inane so much of this is.

One other comment. We know in the State of Michigan that the black child loses 5 months during the summer, loses academically 5 months on average. There was a tremendous study done by the State board of education. Why in heaven's name with the competitive edge we are beginning to have in the industry now, manufacturing durable goods, which is 90 percent of our budget, balance of payments, why in heaven's name are we the only industrial country in the world that operates our schools on a farm calendar, with 1.8 percent of Americans in the agriculture industry? Incredible. So, the investment has to be moved to making our—having our youngsters capable of being productive in a tremendously challenging technological society. So, we have to look at so much more, Mr. Wyden.

Chairman WYDEN. Father, you are just being too logical, and you can't expect logic to break out all over Washington, DC, simultaneously. I want you to know that I share your view that there is more to this than just the food programs. There clearly is an intersection between nutrition and health. We heard about that with the earlier panel on these job training areas.

Unquestionably, there is money that is being wasted. The challenge for the Congress and why I wanted to have this kind of end of the year hearing, was to get some input from folks like you on the front lines. I mean the challenge, as we look at all these programs, is to figure out where you can find areas where there is inefficient administration and layers of kind of red tape, and, in effect, liberate those resources so that programs like yours can make sure that elderly people get protein and cereals.

So I am going to have some questions for you all in a moment, but I thank you for excellent testimony and your video is really superb and we thank you.

Ms. JOSAITIS. Thank you.

Chairman WYDEN. Let us turn now to Ms. Vladimiroff. I hope I am pronouncing that correctly.

TESTIMONY OF CHRISTINE VLADIMIROFF, PRESIDENT AND CEO, SECOND HARVEST

Ms. VLADIMIROFF. Thank you and good morning. I am grateful for this opportunity to testify, and for the opportunity to explain a very important charitable public-private partnership that food banking represents in the country.

I would formally submit my written testimony to the record and take a few minutes to lay out what we are doing, where we see the challenges, and then welcome the dialogue in the question and answers so we can pursue the areas that the committee is interested in.

Second Harvest is a national network of food banks. We have 188 food banks throughout the country, and as an aggregate, we moved close to 1 billion pounds of donated food last year to about 50,000 not-for-profit agencies throughout the country, and those would be shelters, pantries, soup kitchens, congregate feeding programs, other not-for-profits who are doing job training or alcohol abuse rehabilitation in terms of their feeding program. The major supply of donated food comes from the grocery manufacturing industry and retail chains, and they have been very loyal and very generous donors in the past 15 years of our existence.

As you noted in your opening remarks, there are some challenges because the grocery manufacturing industry has introduced some efficiencies that have cut down on the surplus available to us for donation, and this is not a passing event, but it is a trend that will probably increase the likelihood of a decrease in donations. That is, as you go in the supermarket and your products are scanned at the cash register, that scanning enables the manufacturer to know exactly where inventory is and when they need to replenish it. So, we have on-time inventory instead of running production lines at full capacity, storing products in warehouses and distribution centers, and then at the end call us and say we have some donations for you. While it is good news for the industry, it is not good news for food banking at all.

As you also mentioned in your opening remarks, the salvage or secondary market now is buying the product that was once donated.

Second Harvest and the food banks represent probably the best in a partnership of the business community and the local support for those food banks. Those food banks are founded by the local community and supported. So, the Boy Scouts will have their food drive. The National Letter Carriers Union will have a food drive, and it is really neighbors feeding neighbors.

We are a secondary safety net to the safety net that is put in place by the Federal Government, the State government, and local governments. So, we are feeding people who are on food stamps, but they don't last the entire month. So, they come to our emergency feeding programs.

We are feeding the recently unemployed, while they look for a new job and don't have to skip paying the rent or the mortgage and also be homeless as well as hungry. We are feeding the child who gets a Federal school breakfast and lunch, and we provide the evening meal. Or on vacation time where the summer feeding program exists, we sort of quell those hunger pangs at the end of the day.

We are feeding the elderly. Many of our elderly that we feed do not have any other kind of Federal support in terms of their nutrition assistance, and so through our pantries, taking bags of groceries home to some elderly folks that can't come out, or providing congregate meals for them.

Many of the people who we feed are in the rural areas where soup kitchens do not exist, where transportation doesn't exist, and so we transport the food out to those areas through our food banks.

We believe that it is critical that as we look at reform, that we keep the primary safety net that is the responsibility of the Gov-

ernment in place and also help that secondary safety net, which is the charitable response to hunger in a very viable partnership with the Government and with the business community.

We are alarmed by the trends in the industry, but we are also alarmed at perhaps less passion in the U.S. Department of Agriculture for access to food. While the \$40 million in administrative funds for the TEFAP program does help with the handling and transportation, it does not increase by 1 pound the availability of food to the network nor the quality of food. Cutting an \$80 million appropriation for purchase of commodities to \$25 million has decreased the quantity of food available and the quality, because as we deal with donated product, the TEFAP or the USDA commodities were predictable centers around which we could build our food boxes and our pantry bags, and this has diminished at the same time that we are taking a hit with the industry trends.

Chairman WYDEN. Let me see if I can make sure that everybody understands that you are talking about what is called the TEFAP program.

Ms. VLADIMIROFF. Yes, the emergency feeding program.

Chairman WYDEN. You are concerned that the substantive aid that goes directly to low-income elderly and others who are hungry, that that has been cut, even though there is \$40 million in administrative costs that essentially has been left alone?

Ms. VLADIMIROFF. Yes. That has stayed, and as was told to me, it is to keep the pipeline open, but if there is not more food going down that pipeline, those funds are really handling funds.

Chairman WYDEN. Keep what pipeline open? Some kind of full employment program for people who administer these things, or what kind of pipeline are we talking about? The only pipeline the Oregonians are interested in is a pipeline that gets food to hungry seniors and those that are vulnerable, not a pipeline for—

Ms. VLADIMIROFF. Well, in fairness those administrative funds really are misnamed. They are really handling transportation funds that are being used by the various levels of the agencies to get food out. My point is that there is less food to get out and we haven't touched those funds, but we have touched the purchase of commodity funds.

Chairman WYDEN. And if, for example, you made some reasonable savings in the administrative side, you could have a little bit more food to get into the kind of pipeline that Americans care about, and that is feeding the hungry?

Ms. VLADIMIROFF. That is right. I would ask the Congress to look in the discussions around the farm bill 1995 to take a look at the various commodities programs. We have charitable institutions, we have soup kitchen and food pantry programs, we have the TEFAP Programs, and look at combining the commodities programs into one efficient program that gets the major part of resources to a targeted, hungry population so that it would be a commodities program built around domestic hunger relief, so that we would have a partnership with the agricultural community that feeds people through the regular channels of the food industry and retail stores in a partnership to feed the hungry in America.

Chairman WYDEN. Do you feel that that kind of consolidation would produce some real administrative savings that would again free up additional resources to feed the hungry?

Ms. VLADIMIROFF. I believe it has the possibility, and working together with not only the food banks, but those agencies that actually see the face of hungry people every day, whether they be old, whether they be the working poor, whether they be the young; we believe that it ought to be attempted and we are working on some design of that.

Chairman WYDEN. I am going to let you finish your testimony. You have made so many good points. I think it would be helpful, though, if on that point specifically, if you could prepare a little paper for the subcommittee that we could then follow-up with the Department of Agriculture on, because I think that something like that sounds like a way to go at this in a consolable way, to focus on approaches that allow for consolidations of some of these kinds of programs, particularly since you all deal with these on a regular basis, and then free up some additional dollars to feed the hungry. If you could, after this morning's hearing, if you all could maybe do a little paper for me, I would like to present that to the Department of Agriculture and see what their response is.

Ms. VLADIMIROFF. Thank you, Mr. Chairman. That paper is in process and it is several drafts short of being finished.

Chairman WYDEN. Very good. Please finish up, and my apology. [The information may be found in the appendix.]

Ms. VLADIMIROFF. I think hunger in America is a symptom of poverty, but it is a symptom of poverty that we can solve, because hunger in America is not caused by a shortage of food supply. We are the land of abundance, we have the highest per capita food production in the world; we have the most competent agricultural farming community that has reacted to the market pressures. So, hunger in America is going to be resolved by getting food to people who lack food security.

Food banking is a charitable response, but we are looking for more partnerships that will bring the business community in as well as the Government and together we can be hunger's hope here in America.

Chairman WYDEN. Well, well said. Both of you and your organizations, in my view, provide a wonderful service, and you have made excellent presentations.

[Ms. Vladimiroff's statement may be found in the appendix.]

Chairman WYDEN. Let me, if I might, follow-up with just a few questions, if I could.

Ms. Josaitis, maybe we could begin with you. In your view, are there any opportunities where the private sector could in effect, better provide assistance that is now being furnished by the Government?

Ms. JOSAITIS. The private sector has been outstanding as far as Focus: HOPE is concerned and the Commodity Supplemental Food Program. They have purchased our warehouse for us; they have purchased our distribution centers; there is no charge to the Federal Government for that at all. They have purchased trucks for us and they provide thousands and thousands of volunteer hours. So, I think that the private sector is doing their part, and I think the

partnership between the Federal Government with USDA purchasing the food, we are good stewards of the tax dollars. So, I see the partnership between the private industry, the Federal Government, and the nonprofit sector is working very well.

Chairman WYDEN. Are there any parts of the partnership that the Federal Government is now involved in that the private sector might better perform?

Ms. JOSAITIS. Not to my knowledge, sir. I think they are coming forth in contributing their services.

Chairman WYDEN. OK.

Ms. JOSAITIS. You need only ask them. They are there to be of service.

Chairman WYDEN. Good. Do most of the persons you assist through the commodity supplemental program also get food stamps?

Ms. JOSAITIS. Some of them do, like Miss Marshall was testifying on behalf of the Commodity Supplemental Food Program, and she is able to get food stamps, which is a godsend for her. We have a real shortage of supermarkets in the city of Detroit, and we just have the small, independent stores. So, a food stamp isn't going to take you anywhere and you are going to pay a great deal of money for that food stamp. That is why the folks like, particularly the elderly, love the Commodity Supplemental Food Program, because they have a volunteer driver, if that is what they need; again, back to your private supporter; or they can come in and shop themselves, push a shopping cart and take the items off the shelf, if they want. So, they may get to, if they do, but I know through the Commodity Supplemental Food Program you get a better bang for the buck.

Chairman WYDEN. So in effect, what you are saying is that there is a network out there?

Ms. JOSAITIS. Yes.

Chairman WYDEN. It is a network that goes public and private, and as Congress goes about this task—Father Cunningham was talking about some of the parts of the Government bureaucracy that weren't wonderfully logical in his view—that as Congress looks at the partnership, Congress has got to remember that the partnership is still built on a Federal role and a private sector role together.

Ms. JOSAITIS. Correct. We want the buying power of the Department of Agriculture. If they purchase the food for us, they can get a tremendous savings. We will do the rest of it. It is up to us to get the private sector to support us in that. We will get all the volunteers and we will do all the rest of it and we will make sure you have a program that runs the way you want it to run.

Chairman WYDEN. So a lot of this is just having the Government act like a smart shopper?

Ms. JOSAITIS. Correct.

Chairman WYDEN. In effect, have the Department of Agriculture use the kind of marketplace kind of clout you are talking about, then you have protein sources and the like that are available?

Ms. JOSAITIS. Yes, yes. I want to build on what Father Cunningham said, because the greatest moments that we have at Focus: HOPE is when a young man or woman is trained and comes

back, throws their arms around you and says, guess what, Eleanor, I can take care of my grandma, she doesn't need to be on the food program any more, I am making money. Therein is the moment that you celebrate.

Chairman WYDEN. That is what Government has got to be all about. I mean, the goal line is real clear and that is to liberate people so that they can be independent and be on their own.

Tell me how much food or the approximate dollar value would a typical senior receive a month through the commodity program?

Ms. JOSAITIS. It is about \$21 for senior citizens on the food program, and I want to just share something with you here, if I may. On the back page, a senior citizen would receive \$22.93 worth of food purchased by the Department of Agriculture, and in the larger stores, the supermarkets, that same amount of food is \$60.64, and in the convenience stores, and if they were using food stamps for the same item they would pay \$65.19. So, we think we are good stewards. That is why we want the Department of Agriculture's buying power.

Chairman WYDEN. Now, for the older people who are unable to prepare food themselves, what kind of assistance is available for them?

Ms. JOSAITIS. Volunteers will often go and take the food and prepare it. That is why they love the cheese, because they can prepare it. They do that. They will go in and deliver the commodities to the senior citizen and then they form a partnership there. We call it sharing with the senior program. They will kind of adopt that senior and help them all the way through. That is what we use.

Now there are congregate meals that people in the city can go to, and they certainly provide a good service, too.

Chairman WYDEN. Are there nutritional needs, say low-salt, low-calorie, this kind of nutritional need arrangement that sometimes is hard to get through the commodities program?

Ms. JOSAITIS. No. We do it. The Department of Agriculture has worked with us and we have—we take care of all of those needs. We are very conscious of that.

Chairman WYDEN. This is another example of how the public-private partnership, if carefully tuned, can work.

Ms. JOSAITIS. Exactly, Mr. Chairman.

Chairman WYDEN. What kinds of services, if any, do food stamps provide that the supplemental food program can't?

Ms. JOSAITIS. I can't think of any. Oh, fresh vegetables, that is what Father is saying. That is true. But the rest of the commodities are all there. The fresh vegetables—but I might also add that the food banks, if they have a lot of fresh vegetables and fruits, they certainly share them with us, and we are able to give those out through our program, too. So, we do work in partnership.

Chairman WYDEN. Tell me a little bit about your thoughts on the whole discussion of means testing. This is the big, fancy Washington discussion with respect to eligibility, and some of my colleagues in the Congress think you ought to just means test all the nutrition programs, and this would just sort of, in effect, say anybody with an income over a certain amount, that is that they are not eligible. It is different than an ability to pay kind of concept. To me, ability to pay strikes me as something that I hear a lot of programs trying

to do. But the discussion in Washington, of course, is about just plain old means testing, which is in effect, you set an income at a particular level. If your income is \$1 over it, that is that, you are not eligible.

What would this mean for your program and what would be the implications for you?

Ms. JOSAITIS. I have seen a lot of people who are \$1 and \$2 over what the requirements are and it is very painful when you have to say, I am sorry, we can't do anything for you. I particularly see it if there are two members in the family, both senior citizens, and their combined income may put them over \$5 or \$6 dollars, but they still don't have enough to eat.

I think that there has to be greater attention paid to that. I don't think you can put everybody in a cardboard box and say now we all fit in this cardboard box. I think there are exceptions to the rules, and that I would hope that Government would work with the nonprofit organizations to see what those exceptions are, and that we could form even a greater partnership to talk about those, rather than just saying OK, that is it.

Chairman WYDEN. I think you make a very good point. I remember from my days working with older people who these kinds of efforts seem to require a lot of, again, administration and a lot of bureaucracy and red tape, and it just seems to me that if the Government is talking about doing something like that, what you are going to do, particularly with the elderly, is end up spending a lot of money, probably get a lot of older people out of the program, and frankly, I would much rather see the Department of Agriculture as it looks to try to use its resources start doing something about these problems of people getting weapons with food stamps and buying drugs with food stamps and the like. I mean, that to me sounds like a way to really go about conserving resources and making sure that taxpayers' money is probably used rather than the kind of thing we are discussing here about trying to figure out a way to make sure an older person doesn't have \$2 more than the person down the street.

We are probably going to want to ask you some more questions as the new Congress convenes about some of these administrative issues relating to consolidation and the like, and it is good to have your comments here.

[The information may be found in the appendix.]

Chairman WYDEN. Let me maybe move on now to your colleague, Ms. Vladimiroff. It looks to me like this issue of the emergence of the salvage food market is really going to be a significant concern for food banks in the country.

Ms. VLADIMIROFF. It is very much of a concern for us, because the size of the product is the retail size, not the large institutional size, so it is good for pantry bags and boxes. It is also a highly desirable product, usually canned vegetables and so forth.

We are trying to offset this shortage by gearing up our system to deal in a very efficient and effective way with fresh fruits and vegetables, and many of our food banks are expanding into that. Because with fresh foods and vegetables, you need different kinds of refrigeration, you need to be able to move it within a 3-day window from wherever it is being offered to you, and we are getting

better at that and agencies are getting better at using it. We are engaging nutritionists at various food banks to help us with the recipes and the combination.

We are also working with the fishery councils on the West Coast, on the East Coast, and the Gulf, to get the by-catch fish also as a source of protein for hungry people. In one of our food banks in Lubbock, Texas, we have installed a dehydration plant to be able to use the fresh produce to dehydrate it to give it shelf life so that we can transport it across the United States.

Food banking is very creative; it is driven by the passion of people who come to us because their cupboards are bare, and we would never want to be in the position to say our cupboards are bare too when they come to us. So, it is the creativity, the innovation at that private level with the great help from the business community.

Chairman WYDEN. What does the emergence of the salvage market, and it sounds to me like you have some very good ideas and proposals for the longer term with the Fisheries Council and the like.

In Oregon there is lots of interest in using those programs as well. But what does it mean next year? Because we have got a cold winter coming up. The salvage market looks like it is going to have a big effect overall on food banks in America. What are the effects of these changes in the salvage market going to have on your program next year?

Ms. VLADIMIROFF. Well, we have several pilots, as I mentioned, going. We are going to have to try to explode them in the full blown programs. Every year we start all over again. It is not like—and which I admire greatly—Habitat for Humanity in their innovation in trying to get homes for the homeless. If you are building a home for the homeless, you build a home and they have a home. If you feed someone hungry today, they are going to be there tomorrow and the next day and the next day. So, we have to continue to try to find new sources.

We would like the Congress to look at ways that would increase the incentive for business to donate. We would like to be sure that not undue regulations fall on people who are donating or on our food handling. We are very cautious; we hold ourselves to the same standard at the food industry in transporting, warehousing and handling food, because the safety and dignity of our clients demands that of us. So, we don't want any shortcuts there.

Chairman WYDEN. I think you do want to keep us posted on the kinds of effects that these changes in the salvage market are having, because we very much want to continue the kind of public-private partnership Ms. Josaitis has been talking about, and it is very important to look at ways that it is easy for grocers to participate and we want their full participation. There have been many very responsible grocers in this country that have worked hard, and at the same time I think we really got to know the consequences of what is going on in this salvage area, and maybe we will talk some more about it next year as well.

Now, we were interested in the comment in your written testimony that USDA commodities are critical as a reliable supply of

food that helps stabilize a massive system of unpredictable donated supplies typical in a charitable network.

Could you tell us a little bit about the kind of fluctuations or changes that you are talking about?

Ms. VLADIMIROFF. Yes. Pretty much our donations will reflect whatever the new product or whatever the fight for the market share is out in the consumer market. So, for instance, right now the fight for market share is in beverages, athletic drinks, Gatoraid, different kinds of lemonade, iced tea. If you go to your grocery store, you will see an expanded shelf space dedicated to beverages. So, we have over 30 million pounds of beverages going through our system right now because manufacturers were overproduced with the hope that their product will take off. When it doesn't, they call us, and we are very grateful for that.

As cereal companies fight for market share and new products, those will come to us. So, it is not predictable, and if there is a mistake in manufacturing, labels are put upside down on some products, we will get that. There is no way to know how much we are going to get, when we are going to get it. So, we need to be able to have some predictable commodities that are nutritious to always be able to plan on and have that the center of our package, and then we will put the cereal or the rice or the beans in that.

We are getting better at trying to work with people who have food stamps, for instance. We asked them to come to us at the beginning of the month before they spend their food stamps and we will say, this is the donated food that we have, and with your food stamps, if you buy X, Y, or Z, it will complement this, and you will have nutritious meals for the month.

I think that is a good use of both the taxpayers' money with the food stamps and the donated supplies that we have, plus the aid of a nutritionist that works with our food banks to enable the person to eat well with the resources that are available, both from the Government and from the private sector. So, I would also make a plea that the Government doesn't drop their end of the partnership in feeding the hungry, because those programs are essential, enabling us to do our work as well.

Chairman WYDEN. So I gather you are saying that now is a particularly important time to have some sense of predictability or certainty in terms of what the Government is going to be doing, because there are a lot of uncertainties in the private sector in the charitable area?

Ms. VLADIMIROFF. Right. When Second Harvest and food banking was founded, hunger was episodic. It was truly an emergency where we stepped in. Now hunger is chronic and we have raised a generation of children on pantries and soup kitchens and we are into our second. So, you only get a chance to be a child once, and if you don't have nutrition at that point, it has a lifelong effect. Our elderly deserve better at the end of their life.

Many of our volunteers at food banks and agencies are the elderly. They are giving back in new ways and in wonderful, compassionate ways. They are sorting the salvaged in the food bank, they are serving the meals, they are packing the pantry bags, and they are a wonderful example to the young generation to say this is how you give back; there is always something that you can do. Or they

are the ones taking the bags to the elderly folks that can't go out and helping them prepare the meals. So, I have great admiration for what they do in a volunteer way.

Chairman WYDEN. Tell me, if you would, how you define this problem of chronic hunger. You described it originally and when you started in the field you saw episodic hunger, which I think most people would say was someone needing a meal from time to time and needing to go to a program like yours on occasion, and now I gather you feel it is chronic.

What does that mean in terms of youngsters? Does that mean that for days on end they are simply not getting decent nutrition?

Ms. VLADIMIROFF. Yes, especially places where we wouldn't have school lunch and school breakfast programs.

I was a teacher before coming to Second Harvest, and a teacher, principal, superintendent of schools, and I once had a teacher tell me that she saw a child very listless in school and said, well, what is the matter, Tommy, and the child said—and the teacher probed further and said, didn't you have breakfast this morning? The child said, it wasn't my turn. In their home, the children took turns having breakfast, because everybody couldn't eat every day.

So there are increasingly people who are employed—I think if you saw the Conference of Mayor's report; 23 percent of the increase in adults seeking emergency assistance were adults who were employed—the working poor who are underemployed or working full-time, and it just doesn't meet the rent, the heat in the winter, and food as well.

Chairman WYDEN. Now, you noted that the Federal commodities program supplies the most nutritious component of the meal package. Could you give a comparison of what the Federal Government would supply as it stacks up to a private sector donation?

Ms. VLADIMIROFF. In terms of the content of the food, the different kinds of food?

Chairman WYDEN. Yes.

Ms. VLADIMIROFF. Well, there would be canned fruit; there would be—it varies on what the department is buying in terms of those commodity programs. There would be corn meal; there would be rice at times, even canned stew meat, depending on the program that you are talking about and depending on the year and what they have decided to purchase.

But again, as I said, they are not predictable. Many of our donations are very nutritious, but we don't have any way to know they are coming down the line to us, and that is what makes planning difficult.

Chairman WYDEN. What happens to those who are turned away hungry from food banks?

Ms. VLADIMIROFF. Well, as a matter of fact, people do come to our doors, and what we are trying to do now, working with our agency, is perhaps there is a little less food in the pantry bag than there would have been, but there is food. The portions of food served at soup kitchens are a little smaller, but they are being served. Some agencies have had to go from a 5-day serving to maybe a 3-day. So, people are being turned away, and very often the local community will work to say, well, if you can afford to keep your agency open 3 days, we will start our church, will start an

agency here and keep it open on the 2 days that you are not. But again, it is a hardship because transportation is not always available.

Chairman WYDEN. I don't think I have any further questions for you all. You have been an excellent panel and have given us some very good thoughts about how to make this public-private partnership better in the future.

Ms. Vladimiroff, I am especially interested in this idea of how we could better utilize the resources within the Department of Agriculture. There have got to be some ways to reduce some of those administrative costs that you described and free up some dollars to help people, and I will look forward to your paper in that regard.

Ms. VLADIMIROFF. Thank you.

Chairman WYDEN. We will be working very closely with Focus: HOPE as well as Congress tackles these issues. I might add, there isn't going to be a lot of time to sit around and dawdle on it, because this is going to come up in the first 100 days in the next Congress.

Ms. JOSAITIS. Well, please count on us, Mr. Chairman. We are grateful for the opportunity and wish you well.

Chairman WYDEN. Well, we are grateful for the fact that you all are on the front lines every day going to bat for people in our country. You deserve a fair shake.

Ms. JOSAITIS. Thank you, sir.

Ms. VLADIMIROFF. We appreciate being part of the dialogue.

Chairman WYDEN. It will continue. It will continue.

Ms. VLADIMIROFF. Thank you.

Chairman WYDEN. Our next panel will be Mary Ann Keeffe, Deputy Administrator for Nutrition Programs, U.S. Department of Agriculture and the Honorable Fernando Torres-Gil, Assistant Secretary for Aging.

Well, we welcome all of you. Ms. Keeffe, you have one of your associates?

Ms. KEEFFE. Yes, I do, Mr. Chairman. This is Ron Vogel, who is the Assistant Deputy Administrator for Special Nutrition Programs.

Chairman WYDEN. Very good, and Mr. Gil, you have one of your associates.

Mr. TORRES-GIL. Yes, sir. I have my Deputy Assistant Secretary, Bill Benson, who oversees our program, providing food services for the elderly.

Chairman WYDEN. Well, we welcome all of you and your departments on this issue. As you know, I have had some differences of opinion with the department with respect to fighting fraud and other issues, but you all have always been very forthright and very direct in dealing with this subcommittee, and we appreciate it.

We are very pleased to have two old friends, two personal friends, Mr. Gil and Mr. Benson, who I think I have known since my days with the Gray Panthers and who, in my view, do an excellent job in the aging services area and we welcome you both as well.

It is the practice of this subcommittee to swear all of the witnesses who come before us. Do any of you four have any objection to being sworn as a witness?

[Witnesses sworn.]

Chairman WYDEN. We are going to make your prepared remarks a part of the record, and, Ms. Keeffe, why don't we begin with you?

TESTIMONY OF MARY ANN KEEFFE, DEPUTY ADMINISTRATOR FOR NUTRITION PROGRAMS, U.S. DEPARTMENT OF AGRICULTURE, ACCOMPANIED BY RON VOGEL, ASSISTANT DEPUTY ADMINISTRATOR FOR SPECIAL NUTRITION PROGRAMS

Ms. KEEFFE. Thank you very much. I am going to summarize from my prepared statement, Mr. Chairman.

Let me say at the outset that we are very pleased to be a part of this hearing and have the opportunity to be here with you today. Thank you for the invitation to discuss the U.S. Department of Agriculture's role in contributing to the nutritional well-being of older Americans. I am pleased to be a part of this hearing and will attempt to describe our efforts in this important area.

Today, our focus is on the elderly who live near or below the poverty line. Among the poor elderly who participate in USDA Programs are a disproportionate share of women, minorities, those who live alone, those in poor or marginal health, and the very aged who are 85 years and older. This is a very diverse group, and there is no clear strategy for meeting their food needs. Nevertheless, there are a number of programs available to them.

The food stamp program is our country's primary defense against hunger for people of all ages. Currently, about 17 percent of the 11 million households participating in the program have one or more elderly members. Needy households with elderly members receive about \$1.4 billion worth of food stamp benefits a year. Further, the Food Stamp Act contains many special eligibility and benefit provisions to make greater assistance available to elderly and disabled households than to other households.

Under the Nutrition Program for the Elderly, USDA will subsidize 244 million meals in fiscal year 1995. USDA provides primarily cash, but also commodity assistance, valued at about 60 cents per meal, in combination with the Department of Health and Human Services' grants for meals served under the Older American's Act programs.

Under the Emergency Food Assistance Program, known as TEFAP, food banks and food pantries deliver USDA commodities and food from private donations to the needy, including senior citizens. The administration is pleased to work in partnership with States and local agencies and is committed to keeping this vital food pipeline open.

The Commodity Supplemental Food Program supplements the diets of the elderly in 18 States. The commodities provided through the program will serve approximately 200,000 elderly individuals in fiscal year 1995. The seniors use these programs to supplement their own money, the food stamp program, or other resources.

Another program that provides assistance to a segment of the elderly population is the Child and Adult Food Care Program. This program gives Federal funds and USDA-donated foods to child care and eligible adult day care facilities. They serve nutritious meals and snacks to functionally impaired adults or persons 60 years of age in nonresidential elder care. Together these programs help

combat the multitude of problems caused by hunger and malnutrition.

We know that inappropriate diet contributes to chronic health-related conditions common among older people. Poor nutrition may also result in things such as fractures, dental disease, physical inactivity, depression, social isolation, and sensory loss.

Most of USDA's food assistance is provided by the Food and Consumer Service through State agencies and local governmental organizations. In addition, there are numerous private and public cooperative efforts to deal with hunger. In fact, the success of recent private donation efforts has been greater than anyone could have imagined. These efforts have provided relief to the working poor and others who for one reason or another did not or could not take advantage of USDA's food programs.

Private donations comprise a significant amount of the food that goes through food banks, pantries, and soup kitchens. Without these private donations, the food bank network would not be viable. For this reason, this administration encourages and supports private donations.

We also rely heavily on the private and nonprofit communities to distribute food through food banks, soup kitchens, during disasters, and in emergency food situations. Some of the private organizations we have already heard from today. There are many, many others. One that I am sure you are familiar with, Mr. Chairman, is Sisters of the Road Cafe, a nonprofit organization located in Portland, Oregon, that has three goals: First, to be a safe public place for everyone; second, to offer nourishing meals at little cost or in exchange for labor, and, third, to offer job training and employment experience to local residents.

An innovative newcomer was also mentioned by one of the early panelists, the Breedlove Dehydrated Foods in Lubbock, Texas, a joint project of the South Plains Food Bank and Second Harvest. I was privileged to represent the Department of Agriculture at the evening opening in October, and it is truly a marvelous facility and translates into about 20 percent of Texas produce which was formerly left in the field to rot that can now be processed, dehydrated, and will be available to feed hungry people.

There are countless other organizations: The Hartford Food Systems in Connecticut, Oklahoma's Feed the Children, the Maryland Food Committee, MAZON, a grassroots Jewish organization, and Mickey Weiss' distributions in Los Angeles that provide their own unique contributions.

One of the most well-known examples of public-private partnerships is Share Our Strength, whose executive director is Bill Shore. Mr. Shore has worked with such companies as Kraft American Foods and the American Express Company to pioneer new ways to leverage private dollars to have greater impact.

In closing, Mr. Chairman, I would note that for more than half a century the Federal Government has had a vital role in providing nutritious food assistance programs. There is no question that this improved nutrition has resulted in better health for the Nation's low-income population. Over the years Congress has made changes and modifications to tailor the food programs, and in the coming

year we will again be debating the Federal role in providing food assistance to the needy.

A key point, however, is that the benefits that USDA food programs provide are nutrition and health-based, not simply a cash alternative. Ensuring access to an adequate diet is an investment in a healthy future.

That concludes my statement, Mr. Chairman, and I will be happy to answer questions.

[Ms. Keffe's statement may be found in the appendix.]

Chairman WYDEN. Thank you very much, and we will have some questions here in a moment.

Mr. Gil, welcome.

TESTIMONY OF FERNANDO TORRES-GIL, ASSISTANT SECRETARY FOR AGING, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, ACCOMPANIED BY BILL BENSON, DEPUTY ASSISTANT SECRETARY

Mr. TORRES-GIL. Thank you very much, Mr. Chairman. I, too, will summarize my comments and submit my testimony for the record.

Let me thank you and the committee for your leadership on this issue, my colleagues at USDA, and, in particular, the witnesses for the courage as well as their leadership on this critical area.

You, Mr. Chairman, deserve certainly a great deal of credit for a number of things on the subject and in part for supporting and promoting the Peter Hart survey that illustrated the magnitude of this problem and the fact that malnutrition is becoming a real social tragedy in our country.

During this holiday season, it is appropriate that we discuss these issues. Certainly our two most vulnerable groups are older persons and children. As the Assistant Secretary for Aging in the Department of Health and Human Services, I'll focus my comments on our nutrition program and also address some of the successful public-private partnerships.

Let me add one other piece of data to the information you and others have provided, and, again, this was from the Peter Hart survey as well. It showed that gerontological doctors and nurses estimate that 1 in 4 of their patients suffer from some type of malnutrition and fully one-half of the elderly patients in hospitals are malnourished.

This certainly points out that we are dealing with a health problem as well as a social problem, and in part because of that the issues of nutrition and malnutrition are one of my priorities during my tenure here as the Assistant Secretary for Aging.

Because malnutrition is becoming a serious problem, I have directed our AoA Elder Care Nutrition Institute to do a study and come up with a report on this problem. That report will be ready within a few weeks, Mr. Chairman. I do have a fact sheet that summarizes some of the major issues and findings which we will submit for the record as well.

Let me say a few words about AoA's nutrition program. Certainly what we do is not the complete answer to the needs of older persons and younger persons, but it is a critical part of how our Government and our society address the problems of hunger and it op-

erates on several principles that illustrate how we, as the largest provider of community nutrition services for the elderly, see our role.

Our nutrition programs through AoA, for example, help older persons to remain in their home and their community. The network is responsive to consumer needs. It's based at the State and local level. It is a community set of programs that are community owned and directed. It's a program that is flexible and adaptable to local needs and diversity and it promotes and, as a matter of fact, requires public-private sector involvement.

As you know, Mr. Chairman, we operate under the Title III portion of the Older Americans Act which includes the C1 section on congregate nutrition services and the C2 section that provides home-delivered meals. We also provide nutrition programs for Native Americans on reservations. In the last fiscal year, we distributed approximately \$500 million to 57 States and territories. Within that, we included \$16 million which went to Indian tribes for their congregate and home-delivered meals.

It might be useful to provide a few more details. In fiscal year 1993, for example, we served over 230 million meals in 2,200 nutrition projects, 43 percent which were in the home. We have over 16,000 meals sites. They have served approximately 3 million older persons, and I don't think it is too dramatic to say in any community you are more likely to find a meal site than a McDonald's restaurant. As a matter of fact, we have two elderly meal sites for every McDonald's restaurant in any particular community.

Yet, even with all that, waiting lists are growing throughout the country. I would like to address that momentarily. But let me point out another critical aspect of this network of services funded through the Administration on Aging. They are not just meals programs or home-delivered meals. They are part of a broader integrated approach to comprehensive and coordinated services for older persons which address both the health and social needs of older Americans.

They provide the critical nutrition services in counseling, screening, and shopping assistance as well as the meal, but they also provide the transportation, the health promotion, the caregiver support, the housing, and all the other pieces which are important to a continuum of care. Even in disasters, I might add, like the earthquakes in Los Angeles and the floods in the Midwest our, congregate nutrition sites are often designated as disaster assistance centers, DAC's as we call them, because they are one of the few community facilities that have a functioning kitchen.

We are, in short, Mr. Chairman, extraordinarily proud of this program. It is a success. It works. It serves older persons and their families and their communities, but we also know that we can do better and we must improve, we must streamline in the jargon of today, and that is why as part of the President's reinventing Government efforts, the National Performance Review, we are doing a number of things to improve the efficiency of our programs.

We have a major national evaluation of how we do business and how we serve people, and we will have the findings from that survey by next spring or summer. We are developing in AoA a national information data system which will allow us to better indi-

cate who we serve, how we serve them, to what extent we have waiting lists, so we are doing things internally to better understand what we do and better provide our service.

Our program, however, also has another critical feature. It imposes and uses what we call creative leveraging. Our \$450 million translates ultimately to about a billion dollars at a minimum of dollars and resources that we provide. Part of that comes from the participants.

As I think most people know, our services are free; they are not means-tested. Citizens and older persons don't have to pay a price, yet senior citizens in fiscal year 1993 contributed \$170 million in their nickels, quarters, and dollars, demonstrating how much it means to them and that they are willing to give in return.

Our program relies heavily on volunteers, as mentioned earlier. Our seniors often do much of the work in delivering these services. We have been working as well with the U.S. Department of Agriculture to find ways to better leverage our resources, work more closely. We are developing an interagency task force to make sure that Government is working closely and collaborating.

On the final point, Mr. Chairman, on the public-private partnerships, we are proud of the involvement of the private sector. We have heard many examples. For example, one of our examples in Florida with our Florida Council on Aging, they are involving dentists because one of the critical problems for seniors in eating food is a lack of dentures or problems with their teeth, and dentists are involved in this work.

In Minneapolis, Minnesota, the Pillsbury Company not only supports us but they allow their workers to take time off for lunch to deliver meals, to work in our meals programs, and this is a national program that they have.

Our two major organizations that represent our providers, the National Association of Meals Programs, the National Association on Nutrition and Aging Services Programs, work with Kellogg, Nestle's, Seagram's, and many other corporations. These are examples of public-private partnerships.

Finally, let me say that when this is all said and done, this is about people. This is about making a difference in individuals' lives as we saw this morning from the witnesses. If I can just relate two quick stories.

On a trip to Tennessee about a year ago with Al Gore's mother, Mrs. Gore, she took me to a rural area to visit two individuals. One was a 90-year-old woman who was disabled in a wheelchair taking care of a 60-year-old daughter who had suffered a severe stroke. By all accounts they should have been or would have been eligible to be in a hospital or a nursing home and you can imagine how much that would have cost this Government.

But they were able to stay at home where they wanted to stay at home for two reasons: One, a personal companion, a volunteer through our volunteer program; but the other reason was because they were assured of one meal a day that allowed them to stay in their home in the way they wanted to live.

Another one of our participants gave us I think a moving statement, and I will just summarize, about the difference our program makes in the lives of older persons. He is an individual that lives

alone, isolated. He told us, "I need my home-delivered meal to keep me alive and I need my meal delivery person to find me when I die." That is the difference we make in people's lives.

I thank you again, sir, for allowing us the opportunity to be here with you and with my colleagues and the previous witnesses.

Thank you.

[Mr. Torres-Gil's statement may be found in the appendix.]

Chairman WYDEN. Well, I thank you for an excellent statement and because we have worked together on many of these issues for many years I know of your commitment and I have always admired you.

Tell me if you would, and maybe I didn't hear this correctly, the Department is doing another assessment of hunger among older people. You expect a formal report would be forthcoming I think you said in 3 or 4 weeks.

Is it possible to give us even a kind of preliminary assessment of what you are finding, because I think this is certainly the most recent and most timely assessment of hunger among older people, and, again, because all of this is going to heat up here in about 10 or 12 days when the gavel goes down on the next Congress, if there are some early findings that you could provide now with respect to what you are finding in your survey, I think that would be very helpful and I would be very interested.

Mr. TORRES-GIL. I would be happy to. As I mentioned, I do have a fact sheet. I am going to ask my deputy, Bill Benson, who has overseen this report to share some of those findings.

Mr. BENSON. One of the things—

Chairman WYDEN. Let me ask one other thing. This report will be available in about 3 or 4 weeks. It looks at hunger among seniors and over what period was this compiled? Was this compiled like say in the last year or so, so this would essentially be the most recent assessment that the Government and the Congress would have with respect to hunger among the elderly?

Mr. TORRES-GIL. We believe so and, as a matter of fact, he has a report right there in his hands.

Chairman WYDEN. Why don't you highlight, Mr. Benson, some of the key findings.

Mr. BENSON. Mr. Chairman, one of the primary things the report will do is pull together not only the most recent but probably one of the most comprehensive reports in terms of all the different studies and research that has been done recently with regard to malnutrition and nutrition-related disorders among older people.

It is not a report of original research. It is a compilation of what we have been able to gather and learn from many different sources. I think what it will touch on as most significant is not only talk about the numbers of individuals who are malnourished or face various kinds of nutritional problems, but also to talk about the costs of nutritional disorders.

For example, it will point out and reiterate earlier research and emphasize such things as malnourished patients have hospital stays nearly twice as long as those of well-nourished patients and the costs of those stays range from \$2,000 to \$10,000 per stay more than the person who really does not have—is neither malnourished or have nutritional disorders. It will point out that malnourished

patients are subject to readmittance to hospitals more frequently and of course the costs that are associated with that.

The Assistant Secretary mentioned earlier the numbers of people in hospitals that are malnourished. Reiterating earlier information, between 35 and 50 percent of older residents of long-term care facilities are malnourished.

So to really get at the heart of the fact that it is not just older people residing in the community that are malnourished, but people who are actually in the health care delivery system. People enter the system malnourished, they exit various forms of the delivery system malnourished.

I think it will also provide a lot of information that's very current with regard to the underlying causes of malnutrition. We will know I think as much as there is to know currently about malnourishment and other related problems by virtue of this report.

Mr. TORRES-GIL. I might just add one more intriguing finding, Mr. Chairman, that we have come up with the compilation of surveys in the last data. For example, nearly half of the Nation's low-income elders have lost all of their natural teeth. That goes to the heart of why we need to reach out to people.

Chairman WYDEN. We will await your report. It will be helpful and timely.

Let us then start with you, Ms. Keffe. As I touched on in my opening statement and as various cardboard displays illustrate, the Department has multiple programs to manage food assistance for the low income and it certainly appears to some of us in the Congress that there is some overlap of goals and staffing and that some of this multiplicity of programs does seem to be confusing and energy consuming for State and local governments to deal with and also for the nonprofit organizations, these senior citizens groups and food banks and others that don't have big budgets.

Are you all looking at some of the ways in which these programs could be consolidated? I, in my opening statement, talked about a proposal which my sense is others have talked about off and on over the years of taking the 14 programs and turning them into four basic kinds of programs.

Is that something the Department is looking at for purposes of the budget in the next Congress?

Ms. KEEFFE. As you are probably aware, Mr. Chairman, a number of these programs are going to be reauthorized as part of the farm bill legislation next year. With that in mind, we have been very seriously looking at all of the programs for several months now at the staff level and with meetings internally with the rest of the department. Consolidation is certainly something that has been very much discussed.

The 14 programs, of course, have come about over time. Each of them was created by Congress to meet a specific need that was not at that time being met. You heard testimony from the earlier panel on two of the programs and how vital they are to people and what a supportive network there is out there of people who really like these programs.

However, as time goes on, as budgets shrink, we have to really look very seriously at the programs that are really doing the most

for the most people and that was certainly a difficulty that we were faced with this year in our budget deliberations and cuts that had to be made we made, we felt appropriately, to programs that were less effective, but certainly we intend to take the opportunity of the reauthorization on so many of these programs to really look seriously at changes that need to be made.

Chairman WYDEN. Tell me, if you would, your personal opinion. I know that these—

Ms. KEEFFE. I don't have the luxury of that. With my personal opinion, I might not be here tomorrow.

Chairman WYDEN. I understand. All right. You are the point person, so if you don't have a personal opinion—I guess at some point unless the focus becomes very specific in terms of how we can take 14 programs, which I gather there is 40-years-plus worth of history in all these kinds of programs, and figure out a way to pull them into a smaller number of programs, in my own judgment having looked at them is that four would do, that four would be sufficient and that we could address lots of the concerns that we have heard today if we went that route.

I don't think we are responding to taxpayers. I mean, I have people from home who get in touch with the subcommittee who just look at this kind of blizzard of programs that seem conflicting and overlapping and confusing and say, in effect, to Congress, you people got to do better.

So if you can't have a personal opinion this morning, so be it, and we will not run the risk of your being fired over the holiday.

Ms. KEEFFE. Right. What I think we do have to keep in mind when we evaluate the program, and I am not sure that I at all agree with simply lumping it into four large areas, because it is important to ensure the proper delivery of services. I mean, there are a lot of unique qualities to many of the programs.

We feel very strongly that we need to maintain nutrition standards in the programs. We have certainly laid the groundwork here in what we are doing in the school meals and this is something that Under Secretary Hans feels very strongly about regarding all of our food assistance programs and I think the risk you sometimes run when you start lumping programs together is the individual identity that needs to be looked at many of these programs. In other cases, I think it is easier to look toward consolidation.

Chairman WYDEN. Yes. It just seems to me, though, that what we are interested in is responding to the citizens' desire for less bureaucracy. I mean, nutrition standards for youngsters, I'm not going to take a back seat to anybody in terms of being a strong advocate for that.

In the four categories that I talked about, I mentioned specifically health for school children in educational kinds of settings, so I don't think that you have got to get away from the key goals and the key functions. What we have got to get away from is some of the unnecessary layers of bureaucracy and I just hope the Department will address that.

Ms. KEEFFE. I think I would be remiss if I didn't point out, Mr. Chairman, that I really think these programs are pretty lean when it comes to an administrative bureaucracy. The numbers of people

who we employee in the Federal sector in terms of these programs is not dramatic and we really watch that very closely.

A figure that I was given was that administratively, looking at all of our programs and all of the layers of Government, Federal, State, and local, it comes out to about 8 percent that is administrative funding for the programs.

Chairman WYDEN. Were you here for the testimony of the folks from Second Harvest?

Ms. KEEFFE. Yes.

Chairman WYDEN. Ms. Vladimiroff. She cited specifically how the administrative accounts for the TEFAP program, the emergency food assistance program that the administrative accounts were staying the same, I think at \$40 million, while the food was going down to older people.

She said, as I'm sure a lot of Oregonians are going to say when they hear about something like that, if you have less food coming in the pipeline, as she described it, at a minimum you ought to cut the bureaucracy involved and if you cut the bureaucracy, hopefully you will have some more dollars to feed the poor.

Do you disagree with her assessment here?

Ms. KEEFFE. Well, I was rather surprised to hear—and I am a great fan of Christine Vladimiroff and Second Harvest, they are a wonderful organization, but their own study points to the importance of the administrative funding through the TEFAP program and what it means to the food bank network. It is a regular, predictable, important source of funding for them and actually it was very deliberate for us recognizing that that when we had to assess our programs and make cuts that although we did cut the food portion, we felt very strongly recognizing the importance of that administrative funding and what it means to the operation of food banks that we be able to continue that. So, I was a little surprised to hear her—

Chairman WYDEN. See, I think her testimony was not testimony that says let's now throw out every single dollar for running the program and administering it. I think what she was talking about is proportionality, and she was saying in effect, if there aren't as many dollars for food, let's at least make some reduction in the administrative accounts. I mean she was not saying get rid of all administrative dollars altogether, but I think she was calling for some balance.

Ms. KEEFFE. I understand that, but they have other sources of food. As a matter of fact, the majority of food has always been from a nongovernmental source to food bank operations and—but the administrative money goes to just that. It's transportation. It's storage. This is not money that's going to bureaucrats somewhere. I mean, I think there's this interpretation when someone hears administrative money that they view it as salaries for people.

Chairman WYDEN. But if there is less food in the pipeline, as she said, shouldn't there be a commensurate reduction in bureaucracy?

I mean, why should the bureaucracy stay the same if there is less food in the pipeline? I mean, I know you mean well and I know that the folks in your department mean well, but if you were at a town hall meeting in my congressional district and you told people who the amount of money for direct food assistance had been cut

significantly but the bureaucracy had stayed the same, they would say, that, Ron, does not pass the smell test.

I guess I just want to leave you with the fact that at least in terms of the taxpayers I am hearing from, money, if money does go down for programs, the bureaucracy has got to be willing to do its share as well and assume some reduction also.

Ms. KEEFFE. Well, I understand what you are saying, Mr. Chairman, but I do think there is a misconception about the importance of this money and I daresay that I think Christine would have been quite upset to have not had that money at all.

I mean, I can understand if she would have rather had it in food than that, but my understanding and I don't know whether you are familiar with the Second Harvest study, but in that study it rather clearly stated that this money, these administrative funds for their operational purposes was very important money and it was certainly on that basis that we wanted to keep it there for them.

Chairman WYDEN. Let me ask it this way: Does it cost less if you are storing less food?

Ms. KEEFFE. But are you referring to just USDA food? This money goes to the delivery and the storage for non-USDA food that is coming from other sectors.

Chairman WYDEN. Well, I guess we got to get you all and Second Harvest together to go through this some more, but to me, if there is less food in the pipeline and there is less food available to directly assist the hungry and somehow the administrative accounts stay the same, something seems out of synch, but I am going to get you all together with the Second Harvest people and we can pursue that some more.

Now, a couple of the witnesses expressed concern, I think this was the Focus: HOPE people, about the problems of reductions in some of the specific commodities, particularly cheese and surplus items. I gather that next year this is also being looked at for a significant cut.

If that is the case, what is going to take its place? I think the Focus: HOPE people said that the reductions in cheese have been a major problem for their program and a major loss of protein. Is there going to be anything to take its place?

Ms. KEEFFE. Well, we think there have been items in the food package that has taken its place.

First of all, the issue of cheese, you should know really came about—cheese is a bonus item and this is a reflection of the marketplace. When cheese is not in bonus, it has never been a part of the food package for CSFP. Only when it was available as surplus, and by law when it is available that way, CSFP receives the first 9 million pounds of cheese. When it is not available and when it is a costly item, it really is not a good purchase for us at this time to put into that package.

But in its place regarding protein items, we have nonfat dry milk. There are meat items, beans, peanut butter. There are protein items in the package. When cheese is available as a surplus or when it is a cost-effective item for us to purchase, we do so.

Chairman WYDEN. To me it is relatively straightforward. The food bankers are saying that the cheese is the principle source of protein and it is gone and there they are having problems as a re-

sult. Are you saying that peanut butter is going to replace the cheese or——

Ms. KEEFFE. I am saying there are several—well, it had been raised as a protein source and the lack of it resulted in a lack of protein in the food package and what I'm saying is that there are other items provided in the food package that are also a protein source.

Chairman WYDEN. Well, I appreciate that and it is good to know that there are some other sources of protein. I think you could see the anxiety among the folks at Focus: HOPE on this.

I mean, they were just point blank saying this is where a lot of the older people get their protein and it is not there and it hadn't very often in my days even going back to the days of Gray Panthers that people had to haul cheese around to get the Government's attention. I think this is something that has got to be addressed.

Are there ways in which it can be made more simple for older people to sign up for these programs like food stamps? You might have heard our witness earlier having to wait 6 or 7 months. This is a woman with \$500 income. You just say to yourself, for Pete's sake, how can it be that the bureaucracy cannot respond faster and more directly to somebody like that who is trying to figure out how to buy a bar of soap with their \$500.

Are there things you all are looking at to make it simpler and quicker for older people to get signed up on these programs?

Ms. KEEFFE. I was here from the beginning, Mr. Chairman, and I did hear that very compelling testimony. I must say, as I'm sure everybody in the room did, I shared an outrage at hearing a story like that and there is no excuse for that.

Eligible applicants should receive benefits within 30 days and the benefits are retroactive to the date of application. Certain households, and I would think that perhaps that witness would have qualified, could receive benefits within 5 days.

So I can assure you when we leave here today, we are going to be looking into and contacting the District of Columbia to see what happened and what the situation is there and you know, is there some sort of horrible backlog that they are dealing with and is this commonplace. I hope that's not going to be the situation but we are certainly going to look into it.

I should say at the outset when we are addressing food stamp questions that this is the 1 of the 14 food assistance programs that doesn't fall in the purview of special nutrition programs.

Chairman WYDEN. I know. I'm barely going to touch on a question on the antifraud effort. I am going to touch on it briefly but barely because I know that it is not especially your province.

But on the food stamp issue, I mean something like two-thirds of older people who are eligible aren't signed up. What is your sense as to why that is the case and what can be done?

Ms. KEEFFE. Well, you know we are very troubled by it. We have done a lot of things in recent years to try and make it more attractive, accessible, whatever the situation is. What we hear is that it's a stigma problem, a lot of elderly people who never needed any kind of assistance before in their life don't suddenly want to have to be seen using food stamps.

Also the benefit level is limited to people in single households. It's not a great deal of purchasing power for them and very often they feel it's not worth the trouble of going through to get such a limited amount.

We have done some things in recent years such as making food stamps applications available at social security offices so that you don't just have to go to the welfare department. Also, some people who have physical difficulties can actually do an application from home by mail and then have a telephone interview.

Some other things have made it easier for them to qualify such as not having to meet the gross income test but only the net income test. That they can have—they have a medical deduction of anything in excess of \$35 and they are not subject to the cap on shelter expense deduction.

So I think the Department is trying. Clearly, we have to continue this. We have to meet and hear, and we obviously would like to hear from any ideas from the Congress as to what we can be doing better here. I'm sure since this program is also a large part of the farm bill legislation that we will be working on this.

Chairman WYDEN. Do senior citizens have to recertify a lot as being part of one of these programs?

Ms. KEEFFE. I believe there are exemptions from the monthly recertification, but let me have the experts get back to you. We'll provide it for the record, Mr. Chairman. I don't know all the details.

[The information may be found in the appendix.]

Chairman WYDEN. I think a number of the suggestions that you are making here strike me as constructive, but I think the bottom line is we have got two-thirds of the older people who are eligible who aren't getting it, that there is a lot of work to do, and I, for one, have felt—and I remember this from my years before I came to the Congress—that the Area Agencies on Aging are an ideal, and Fernando knows much about it. This is an ideal place for your department and his to connect on some new outreach efforts.

I mean, certainly if we could get some more volunteers to the Area Agencies on Aging so that they could be out working with low income and homebound seniors trying to get through the application, maybe get to the point that you are talking about where they start off getting the application filled out at home and then do the follow-up conversation over the phone, we ought to be able to make a dent in that unfortunately low number of seniors who aren't getting assistance and ought to have it because they deserve it.

Mr. Gil, do you want to add something?

Mr. TORRES-GIL. If I can just reinforce something you just mentioned, and my colleague is correct: It is not the easiest process to make our food stamps programs accessible to older persons for the reasons you mentioned, which is why one of the areas we are looking at very closely between USDA and HHS is making greater use of our aging network and the AAA also, just as they are now using our social security district offices.

I might just add that we are already using our legal assistance programs to help older persons obtain and keep their food stamp programs as well as our Title VII vulnerable older rights programs to provide the counseling and assistance to go to the food programs.

We have begun the process and we will be working closely with USDA.

Chairman WYDEN. One last question for you, Ms. Keffe. Are you participating in the discussions at the department on antifraud efforts and additional ways in which the Department can deal with what I and I think others think is a full-fledged scandal in the way so many of these dollars just get ripped off and taken from those who really need it from taxpayers who deserve a lot more value for their hard-earned dollar.

Ms. KEEFFE. I certainly am in terms of my programs and a very big issue involving my area has been the bid-rigging cases, the dairy bid rigging and our suspension and debarment undertakings. We have been very aggressive in this area. It's a priority effort of Under Secretary Haas, the direction is right from the top on this, and I think we have been very proactive.

I was very pleased that in the area of the dairy cases, a recent GAO report, which was a follow-up to an earlier report that had been done that was not very favorable to the Department, this recent one gave us very high marks for our aggressive stand on this and really going after—making sure the integrity of all our programs is beyond reproach and it is something we take very seriously and feel very seriously about, Mr. Chairman.

Chairman WYDEN. The Department, as I think you know, at least from my standpoint, needs to do a lot more work in this area because when you see the number of grocery stores, the kind of food stamps for drug dealing that is taking place on our streets. This is the kind of thing which puts some of the good work that you all are doing in jeopardy and as the point person overall for these programs, not exclusively for food stamps, I hope that you all will push for more investigators and to come down with hobnailed boots on the kinds of frauds and rip-offs we are seeing because it is undermining the credibility of what needs to be done in the cause of feeding the hungry.

Ms. KEEFFE. I'm sure you will see this is going to be a priority in the farm bill legislation.

Chairman WYDEN. I hope it will be a priority when the new budget comes out next year from the President of the United States as it relates to the Department of Agriculture.

Let me ask Mr. Gil for a moment if he could again try to give us some assessment of the overall problem.

Could you tell us what percentage of the country's elderly are really insecure from the standpoint of basic nutrition?

Mr. TORRES-GIL. I think, as you know, Mr. Chair, there are various studies that are giving us different figures. There are some studies, as I mentioned earlier, that show one in four elderly persons that go to a hospital are malnourished. Other studies show in nursing homes, incidentally, that up to 50 percent of nursing home residents when they come in were malnourished.

We don't have any solid national data by which we can give you definitive answers. However, with our national evaluation of our meals programs which I referenced earlier, which is a multimillion dollar study, and we should have our findings by spring of next year, hopefully maybe even in time for the 1995 White House Con-

ference on Aging, I think we can begin to provide more definitive data you for.

The Peter Hart Survey, the Urban Institute Survey, which shows there's a large proportion, are really the kind of surveys that look at random occurrences, but we don't have any hard longitudinal or national comparative data, but that is one of the things we are working on.

Chairman WYDEN. I want to make sure I understand the significance, though, of the Peter Hart study and this was something at the time that I pushed for because I thought it was a different approach.

What the Peter Hart study showed and why it was important is that medical professionals and people who deal with older people who are coming to hospitals and clinics and the like, medical professionals found that something like one out of four older people who they came in contact with were malnourished. Wasn't that the heart of that study?

Mr. TORRES-GIL. No pun intended, but you're right, that was the critical piece of information, which speaks to another challenge primarily to the medical community and I like to use this phrase, we need to—and we are going to work on it—gerontologize the health and medical community, the doctors, nurses, social workers, to better understand the relationship between nutritional status and how it in fact, is probably the most critical variable in determining whether a person will be sick, remain sick or have other complicated problems of that sort.

So certainly we are going to have to do a much better job of educating health care professionals to identify these kinds of issues and to understand better how to work with the nutritional needs of older persons.

Chairman WYDEN. Now, the States and the local governments, their role as it pertains to older people and services for the older person, is going to get a lot of discussion in the next Congress. What is your sense about the opportunities for States and local governments to be involved in the kind of multipurpose services that you all provide?

Mr. TORRES-GIL. Would you like my personal opinion as well, sir? I could give my public opinion.

Chairman WYDEN. Personal and public.

Mr. TORRES-GIL. I think—and again I'm talking about the Older Americans Act nutrition programs—I personally and publicly believe that we are in some respects a model for what that role should be.

The State government and local communities are already a key player, if not the player, in how we provide services at the local level, as well as nonprofits and volunteers. In many respects, the way we handle our programs, Mr. Chairman, it is a bottom-up approach where we rely on State and local governments and private and nonprofit organizations to actually deliver the services.

The critical piece, however, is that we at the Federal Government, in AoA, we provide the oversight, the accountability, the guidance, and the leadership. We cannot afford to diminish that role. That is much different than saying we have a heavy-handed bureaucratic or administrative structure, which we do not. As a

matter of fact, we only have a small number of people who oversee this entire network. So, the role of State government is already a major part.

Certainly, they should have and continue to have that role and perhaps increase it, especially in bringing in the private sector for donations and contributions, but we believe that we have a fairly good balance in terms of what that role is.

Chairman WYDEN. Now, the staff found in a report of the American Geriatric Society that it was estimated that more than a million older people who live in their own homes are probably malnourished.

Do you all have any information on the extent of older people who are malnourished who live in their own homes? If so, what is the best way to try to address this need?

Mr. TORRES-GIL. Let me ask Mr. Benson to respond.

Mr. BENSON. Mr. Chairman, we don't have more recent quantitative data than that, but if I can offer an anecdotal experience. I know that you worked very hard on implementing the nutrition screening initiative.

One of our, really, leaders in providing local nutrition programs is a very large nutrition program director from the State of Ohio, who has been in the business for a very long time, was one of the first people to test the use of the nutrition screening instrument in his own participants in his meal program.

I offhand can't tell you the number, but he was stunned by the number of people who used the screen that were at risk based on those indicators of malnourishment or other nutritional-related problems. We have had that kind of anecdotal information with the implementation of nutrition screening instrument that we are now going to actually be using as part of our evaluation of what's going on in the nutrition program.

I think we are going to find much better data about the extent of malnutrition and related problems, and I think we are going to be stunned by it.

Mr. TORRES-GIL. Just building on that checklist we have, sir, in some areas that I've talked to, they are estimating up to 75 percent of individuals at home are at risk of malnutrition and that percentage is, incidentally, is probably higher for men than they are women, because men, those who are able to live until retirement, are more vulnerable because of their inability or unwillingness to cook or be able to do so, and I count myself among one of them.

Chairman WYDEN. So the desirable trend of trying to provide more in-home services has been helpful but has still left a pretty serious gap, in your opinion, as it relates to nutrition.

Mr. TORRES-GIL. It has left a gap, a gap that is increasing. As baby boomers begin to reach their golden pond, that gap will probably be far greater.

Our generation, those who are middle-aged, and in some respects may be more likely to live alone, be isolated, be away from family and supportive services, not have children or not be close to them.

So I worry greatly, Mr. Chairman, that that gap is not only going to be there but will likely increase, especially with the constraints we are facing on the fiscal side.

Chairman WYDEN. The only other thing I would mention, I suspect because of your long-time involvement, I hope that this issue will get a lot of attention at the White House conference. I know that when the White House Conference on Aging and Planning is under way; I just hope this issue will be one of the key kinds of questions because, particularly in this Congress with all these programs being debated and reformed and reinvented and the like, I think it's important for seniors to be heard directly at that conference.

Mr. TORRES-GIL. If I may just build on that, sir, in fact, it is one of the issues that is cropping up in the hundreds of forums that we are having throughout the country in preparation for the 1995 White House Conference on Aging. I mentioned earlier that nutrition and malnutrition is one of my priorities while I am here during my tenure.

As part of this, I have authorized prior to the White House Conference on Aging the holding of 10 regional conferences on malnutrition and nutrition to ensure that these issues are part of the information for the 2,000-plus delegates, that it is part of the recommendations, that we have the information.

So I'm fairly confident that this will crop up. But I might also add it's going to crop up because it is also tied into issues of housing, quality of life, long-term care, ability to live independently. As we look at those broader issues, nutrition and a good diet and being able to have food on the table is a critical variable in how we relate to all the other issues.

Chairman WYDEN. Do you think it would be possible—I think you've heard, I've mentioned it a couple of times today—to really mobilize a significant number of additional volunteers, volunteers who could get out with the Administration on Aging programs, these Area Agencies on Aging and others, really get out at the grassroots, get people signed up who are eligible for services and work on the problem of older men at home by themselves?

I would like to see us mobilize a lot more volunteers and I think that is something with the leadership of your agency we could do.

Mr. TORRES-GIL. It is possible. We are working on that.

As you heard earlier from some of our witnesses, volunteers already play a heavy role. We have far more volunteers, many more times volunteers than we have paid staff. Our paid staff is actually very small. You would be surprised at how few there are. Volunteers already play a heavy role but we are going to need many more as the need increases.

In part, I have been holding discussions with our corporation for public service, Eli Segal, the director, to try to integrate more volunteer programs, the Senior Corps Program, in working with our services. We work through social security district offices. We are going to work more closely with USDA and we want to bring in more volunteers to assist us and to assist them. So, that will certainly be a big part of what we hope to accomplish in the next couple of years.

Chairman WYDEN. Tell me also, Mr. Gil, about the status of liability issues with respect to using volunteers. For the many years that I have been involved in this, the constant concerns about li-

ability questions for drivers and that sort of thing, are those issues largely addressed there?

Mr. TORRES-GIL. Let me turn it over to Mr. Benson. That hasn't been a problem for us in any way, shape, or form. The extent, I am not sure.

Mr. BENSON. It is the same problem that continues to exist out in the community with regard to liability coverage worries about utilizing volunteers. There have not been successful ways of resolving that.

In fact, if anything, anecdotally programs find it more difficult to get coverage that includes volunteers just because of the problems in coverage for insurance coverage in general. So, the problem is one that is out there. We don't know as much as we should about the problem, but it's one that local providers report continuously as a barrier to being able to utilize volunteers in various kinds of roles.

But that notwithstanding, we still have an extraordinary network of volunteers in these programs. I think the liability issues notwithstanding, many programs just go ahead and use them because they are so vital to their services.

Chairman WYDEN. All right. You all have been helpful. Anything you would like to add further?

Ms. KEEFFE. I guess just in conclusion, Mr. Chairman, I would like to say that we, too, have been a part of the regional conferences going on. Our regional people have been reporting back and have been very worthwhile and I'm going to be participating myself in one coming up.

In regards to getting back to something that you raised earlier on the consolidation issue and on the programs, I think in summary, what I would like to say is that I think our challenge is to look at the problems or look at the programs that we have and to make them into the programs that we want and everything is on the table at the moment. Whether that be consolidation or improving a particular program within its own structure, we are very seriously doing that.

These have been wonderful programs, doing important work, and they have provided need to a lot of people and I think done it effectively over the years, but it certainly is not to say that we can't do them better and that's what we are about.

Chairman WYDEN. Well, I think that is the heart of the debate because nobody is questioning the functions, these functions are helping a lot of people. At the same time, we know that millions and millions of vulnerable older people are falling between the cracks. We know about the demographic trends.

There are going to be significantly more older people. Mr. Gil makes the logical point that many more of them are at home and older men and facing very serious nutritional problems, many of them, and if we can figure out a way to take 14 programs and move them into four or so and still perform the key functions, then that provides an opportunity for taxpayers to see their hard-earned dollars go to providing more services.

I am not going to ask you for anymore personal opinions. I don't want to see you guillotined for something for offering them, but I think a better job has to be done.

I appreciate the discussions that are going on between your two agencies and we will have these discussions accelerate after the first of year.

Mr. Gil.

Mr. TORRES-GIL. I would like to make one final statement in speaking on behalf of the thousands of programs and providers and volunteers who in many respects do the Lord's work in really taking care of some serious problems, we are reaching a point, a critical point where they have for years now been facing additional increasing pressures to do more with less and they have been extraordinarily resilient and innovative in reaching out and involving all segments of the community.

I daresay, sir, and this is a personal and public thought, that they may be reaching their limit where they can continue to do more with less and we now have waiting lists and we have specific information and anecdotal information that we are approaching a period of triage where some of our people are telling us they have to pick and choose who needs us most at any given day.

I thank you for what you have done to bring attention to this issue. I trust that in the next Congress we will see these issues of nutrition and food and hunger as a nonpartisan issue that requires a bipartisan response.

Thank you very much.

Chairman WYDEN. Well said. We will excuse you. Thank you.

Chairman WYDEN. Our next panel, Wayne Kostroski, Cuisine Concepts, Edina, Minnesota; Pierce Butler, executive vice president, American Express; the reverend Robert Sirico, the Acton Institute; Martha Burt, the Urban Institute; Burton D. Fretz, the National Senior Citizens Law Center.

All right. We thank all of you for your patience. This has been a long morning and we appreciate it. It is the practice of this subcommittee to swear all the witnesses who come. Do any of you have any objection to being sworn as witnesses. Please rise and raise your right hand.

[Witnesses sworn.]

Chairman WYDEN. Ms. Burt advises me that calamity will break out if we don't get her through her appearance very briefly. For you gentlemen, would it be okay if Ms. Burt went first?

Welcome. Please proceed.

TESTIMONY OF MARTHA BURT, THE URBAN INSTITUTE

Ms. BURT. Thank you. I'm very happy to be here today to share the findings on The Urban Institute study on hunger and elderly with the subcommittee. I have prepared written testimony. I also have a couple of submissions that accompany that. I probably will skip most of what's in the written testimony because there are a couple of things that I think it's important to note and then I want to talk about food—hunger and food insecurity, which is what we measured, talk about the levels we found, some of which have already been quoted, and get to what we consider to be the major implications of our findings.

There is a big difference between malnutrition which we've been talking about mostly today and which you get the 25 percent of people coming to physicians as being registered as malnourished

and hunger or food insecurity as we are talking about it. We are talking about it as a poverty issue, as a money issue. You don't have food and you are not eating because you don't have money.

There is probably as much or more not eating for other reasons: You are ill, you are depressed, there is nobody to eat with, there is nobody to cook for, and so on. A lot of those things are very complex social issues which there are many different possible ways to try to address and to solve. We are talking about an actual absence of food because people cannot afford to buy it. I think that's important.

We did two different approaches to getting the information that we have. The first was a national through-the-mails questionnaire to a sample of households with at least one person 65 or older in it. The second was a series of 16 community-based studies done by local agencies of low-income communities that they served, and this was a wide variety of different agencies all using the same structure and approach that we developed.

We asked the following questions and this is what I'm going to report on, and you've heard the anecdotal testimony that is relevant to all these as well.

In the past 6 months, have you had to choose between buying food and buying medication?

In the past 6 months, have you had to choose between buying food and paying the rent or utility bills?

In the past 6 months, have there been days when there has been no food in the house and no money to buy it?

In the past 6 months, have there been days where you skipped meals because you had no food and no money to buy it?

We asked the fifth question just in the community survey, which was: In the past 6 months, have you done anything to cope with the fact that there was no food in the house or soon you thought there might not be? This included everything from applying for food stamps, going to a senior meal, going to a soup kitchen, or going and eating with relatives or borrowing money from relatives, buying food on credit, all those sorts of coping mechanisms.

If you have the testimony, there are a number of figures there and I think the most important of them is actually figure three, which shows the level of food insecurity—this is what it looks like—by poverty and these are the data that have been widely cited.

This is the critical part of it, which is that if you look at just the first four questions, the estimates are that if you are just talking about people under 200 percent of poverty, that about 2.5 million elderly people in this country are suffering from food insecurity or hunger.

Chairman WYDEN. So according to your research, and you would offer that as the best assessment of the bottom line, is that on a daily basis across this country we've got 2.5 million hungry older people.

Ms. BURT. If you add the last question about coping questions, you go to a little under 5 million. The important thing about this graph, these first—actually this line is the eligibility cutoff for most programs. You are not going to get SSI if you have more money than poverty. You are not going to get food stamps unless your ad-

justed income comes down to poverty, but you still have up to 150 percent of poverty, about 1 in 5 people who are suffering from hunger and food insecurity.

So many of our—and they are a much lower percent but still come up to about 200 percent. Forty-one percent of the elderly in this country are under 200 percent of poverty. We pride ourselves on having an overall elderly poverty rate lower than the national average, but we forget that there are a whole lot of people who are just right over the line. We are talking about almost half of the elderly that are involved in this category.

I will leave you to peruse the rest of the very specific findings. The only other chart that I think is really telling, if I can find it, is—well, there are two, actually. One is this, where you can see this is each question and the black line is what happens with that fifth question, the coping question. It is the most responsive to the poverty level, so the less money you have, the more you are scrambling to find enough food to put on the table and sometimes you are making decisions to pay the rent and not eat and sometimes you are making decisions to eat and not pay the rent. Sometimes you are going to a senior meal program and eating half of the meal which is designed to be one-third of your daily intake and taking the other half home and claiming that you eat two meals a day. That is a very common phenomenon.

There are very different factors that contribute to whether somebody is likely to have food insecurity or not. I will let you read that yourself.

The other graph pertains to the discussion we were just having about coverage of the programs. This is the congregate meal program. This is the home-delivered meals program. This is the food stamp program. This is whether you have different levels of food insecurity.

Even people who answered at least two of those questions and sometimes more yes, meaning they are very frequently are making decisions about eating or not eating, 35 percent is the best coverage that you get.

You are down to 10 percent at most for home-delivery meals and you are down—and the food stamp program is only hitting about 25. Congregate meals, the AoA Programs are actually doing the best.

But it is important, it's critically important when you are thinking about those programs to realize that in our data the people who are going to those programs have more food insecurity than the people who are not. They are being assisted by the programs and without the programs they would be in truly desperate shape because, as we've heard and you've heard from other witnesses, there's a great deal of pride out there. I think it is one of the major reasons that people don't use food stamps. They do go to the congregate meals programs because they don't have the stigma but they also don't go there until they are really, really in trouble for the most part.

I think there are a number of implications in the climate where we first discussed these findings, which was last year, had some hope of contemplation such as expanding SSI or upping the dollar level of SSI, which probably have absolutely no hope now.

But I think it's critically important also as we are thinking about the possibility of block granting food programs and so on that there be no—that block granting is one thing and getting the administration of programs down to a more local level is one thing and cutting money is another thing.

The Urban Institute probably did more on assessing the block granting of the early Reagan administration. The evaluation results of those studies were that States, indeed, and localities were very much more efficient but a 20 percent cut was not something they could absorb through efficiency.

Ms. BURT. I think you are hearing from a lot of governors and a lot of local city people and so on, that they are happy—they know their people are hurting; they are willing to take on the responsibility and probably will do quite a good job of it as the previous evidence suggests, but that they cannot do it with less money, and if that is all this is an excuse for, then it will fail, or it won't fail, it will cause suffering as the past cuts did.

I also think that it is very important to think about—I know that this is the Small Business Committee and you are interested in the role of small business there. We have heard lots of ways in which there are partnerships, but those partnerships are partnering with an organized and consistent national program or several national programs, and the existence of those national programs I think is essential. I don't think that the Thousand Points of Light is really capable of feeding the level of people who need feeding in this country and that are being fed through the Federal programs that exist.

They are extremely capable of supporting, augmenting, adding money to, adding drivers to, adding moral and mental support to those programs, but they will never be able to replace the programs and should not be expected to, either with funding or with organization.

Chairman WYDEN. Let me ask you a couple of questions, because I know you do have to get out of the door, if that would be all right with our other witness's indulgence, because they have been here a long time too.

Are you also advocating your organization, Ms. Burt, that there be a shift in public expenditures within the group of older people itself, that—is it your view that there are programs where more affluent seniors in effect, have access to some services and there ought to be some changes there and redirect dollars and services to low-income seniors?

Ms. BURT. I have been known to say something on that order, but it has usually been more in the direction of things through the Tax Code than it has been in terms of shifting programs. I think you do not want to endanger the participation in programs like congregate meal programs or home delivery meal programs by means test thing them, and thereby having the same thing happen that happens with the food stamp programs.

The targeting aspects of the congregate and home delivery meal programs I think are handled probably as well as they can be without means testing by the decision about where to place the programs, and just their physical location in low-income communities gets you a good part of that way without the stigma that is involved. I would—you could certainly do more.

Could you certainly means test them or you could do any number of things, or you could try to figure out ways to up the donation for people who can afford it and so on and so forth. But I think you run into trouble there. You don't just run into trouble in low-income areas.

When I was pretesting this study and I went to one of the better off suburban meal programs in Montgomery County and in passing out my questionnaires and hearing from various people, very loudly at various tables, oh, you have come to the wrong place, nobody here has this problem and in the meantime there is this woman in the corner filling out her questionnaire who lives in 202 housing who takes the bus every day to the senior center, that is her meal and she doesn't have any money for any other food and they don't know it, and she is listening to them say that we don't have this problem here.

Chairman WYDEN. Now, the subcommittee has been looking at this question of whether there is a market for low-priced food services designed specifically for older people. The theory here is, and I guess there is one company that already provides this kind of service in a great many States, more than 30.

This company sells food to food banks and nonprofit organizations or like a buck and a half or \$2 per meal. Do you think that this kind of approach is promising and that if more companies were involved in this way that it could significantly make a dent in the great hunger among the elderly?

Ms. BURT. I think it is promising; I don't know whether it could significantly make a dent. It would depend on how widespread it was and how well-known it was. As I said at the beginning, the kind of hunger and food insecurity that we looked at is a money problem.

Any way that you can either get more money to people or reduce the price of what they have to pay for the food that they are getting will help them, which is one of the reasons why some of our recommendations have to do with increased SSI payments or covering prescription drugs under Medicare, or any of several ways that you can shift the way that money must be spent. If you freed up the money that people are now spending on prescription meds, then they could buy food. If you make the food less expensive, they can buy more of it and eat more of it, anything, in any number of directions can do that.

I think that we have to be thinking about all of those things and thinking very creatively, because I honestly don't think that the programs that we have, even if we doubled the funding for them, you would not get all of the elderly into them. There are transportation issues, there are my friends do go, so I am not going to go issues; there is I don't like the kind of food they serve issues, there are all kinds of reasons why people are not going to go, even to the nonstigmatized programs. So, we need to be thinking about a whole array of ways to alleviate the problem. Focus on the programs is certainly one, but there are many other ways and anything that reduces the cost or makes the food more available is good.

Chairman WYDEN. I think why we wanted to look into this, and maybe we could talk some more about this one sometime when you don't have to hurdle out the door, is there seems to be some evi-

dence that there are older people, hungry older people who can afford to pay a small amount per meal, but can't afford to purchase all of their food at a grocery store.

Ms. BURT. Right.

Chairman WYDEN. If something along the lines of what this one company is doing, this gives us a chance, again Mr. Kostroski is going to talk a bit about this and others, to bring new entrepreneurs into this field, allow the private sector to play a bigger role in working with the older people and at the same time again looking at something that might be more cost-effective. So, I think we will want to talk with you about this a bit more when you have more time.

We will excuse you at this time.

Ms. BURT. Thank you. I greatly appreciate it.

Chairman WYDEN. We thank you and know of your good work and have followed it for a long time.

Mr. Kostroski, why don't we go to you next. I am going to try and pick among you more what might be a logical fit and probably won't make much of a job out of it, but we will get all four of you in, and we thank you for your patience.

Mr. Kostroski.

TESTIMONY OF WAYNE KOSTROSKI, CUISINE CONCEPTS AND REV. ROBERT SIRICO, THE ACTION INSTITUTE

Mr. KOSTROSKI. Thank you, Mr. Chairman. Thanks for inviting me here today. I am certainly honored to be able to share some of my thoughts and ideas with you today on a subject that is important to me, and I will pretty much stay with the prepared text here, because I think it is the ideas that I was thinking about the most.

My name is Wayne Kostroski. I am a restaurateur who has been in the business for 17 years. We operate Goodfellow's Restaurant and the Franklin Street Bakery in Minneapolis and Tejas, our restaurant specializing in Southwestern Cuisine in a Minneapolis suburb, and until earlier this year we operated two restaurants in Dallas.

Like most in my business, I live and breathe restaurants. My passion leads me to the reason I am here today: My industry is linked to hunger relief. I would like to talk about what I have been able to accomplish working hand in hand with fellow restaurateurs, nonprofits and noted hunger relief organizations like Share Our Strength, one of the Nation's largest private, nonprofit sources for funding.

First let me say that mine is only one restaurateur's story, but you see it happen all over the United States. It is a huge industry—over 739,000 restaurant units. Thousands of us are involved with national groups like Share Our Strength and Second Harvest, as well as with local food shelves and food banks.

I, and many of us in the hospitality industry, believe that we have a logical connection and a special sensitivity to the needs of others for food. We know food. We know how it is produced, how it is grown, how it is distributed, how it gets to the restaurant table, and even what should happen with food that is not consumed

at the table. Increasingly, we are taking a more significant role in making sure food gets to the people who need it most.

I have been active with Share Our Strength since the late 1980's and currently serve on its national board. In 1988, I headed up the first Taste of the Nation for Minneapolis-St. Paul. In Minnesota alone, we've raised over \$700,000 since 1988 through Share Our Strength's Taste of the Nation.

Nationally, Taste of the Nation has gone from a 20-city event in 1988, which raised \$250,000, to an event that in 1994 was in almost 100 cities and raised nearly \$4 million, bringing our 7-year total to over \$14 million. I am proud of what we have done, because thanks to a strong sponsorship by American Express, 100 percent of the money we raise goes directly to the recipients through Share Our Strength.

This simple concept, literally of sharing our strength, has spawned many new ideas as well. For example, when the Super Bowl came to Minneapolis in 1992, I started a new event called the Taste of the NFL. We bring a top chef from each of the NFL cities and pair them with an alumni player and give people the chance to sample the best of the restaurant industry and mingle with former NFL greats. Today, many say it's the second hottest ticket at the Super Bowl. It has established itself as a Super Bowl tradition, taking place in Los Angeles in 1993, Atlanta in 1994, and is now sold out for Miami in January of 1995.

We set our sights high and have met with great success thus far. Last year in Atlanta, thanks largely to enthusiastic corporate partners like Coca Cola and American Airlines, we raised over \$192,000 in one night, and are already positioned to top over \$200,000 this year in Miami. Through our volunteer organization, Hunger Related Events, in just 3 years we have raised over \$300,000 at Super Bowl. It has become known as a party with a purpose, because 100 percent of the ticket price goes to local and national hunger organizations. So far we have helped fund Foodchain in Atlanta, Florida's Daily Bread Food Bank, the United Way, Second Harvest, and the End Hunger Network, just to mention a few.

But our industry's efforts are not just about money. They are about awareness and the willingness to develop a passion to really influence a change in another person's life. Contributing is not about trying to do everything yourself for all of someone's needs. It is about simply lending a hand when you can. Think small, act effectively, and most of all, act creatively.

Restaurateurs have a ton of knowledge and expertise that is free. For example, Share Our Strength's operation frontline, now in seven cities, is putting that talent and energy to excellent use.

Restaurant chefs trained by Share Our Strength are joined up with community groups and nutrition centers to get our best knowledge to the people who need it, through classes, seminars, and other one-on-one and hands-on formats. The chefs are actually in the centers teaching about nutrition, about recipes that stretch a food dollar, how to shop for the best value, and how to make small budgets more efficient.

Contributing is also about raising awareness. Two years ago, in the midst of huge financial challenges, Minnesota-based Northwest

Airline chose to create Northwest Air Cares, a program that provided an excellent opportunity for organizations to raise their visibility and to showcase their work by presenting their message to over 40 million passengers a year.

Share Our Strength was featured for a 3-month period, and not only benefited financially, but it also was introduced to yet another new corporate and receiver relationship that is still growing today. Northwest Air Care's program continues to assist numerous other key organizations as well.

Over the last 10 years, I have watched food distribution become more and more sophisticated. Food banks and food shelves are increasingly proficient at moving food to where it's needed most, and at taking the further step of encouraging self-sufficiency.

But, as Congress and the States look for ways to improve the system, I urge you to focus on quality and accountability. Our public-private partnerships work best when we know the system is working efficiently.

Where Government funding is involved, I encourage you to make sure that you have got a handle on the programs that work, which ones are efficient, which ones are fiscally responsible. Where Government funding is not directly involved, I encourage you to take the lead in promoting corporate and individual support whenever possible.

Statistics tell only part of the story; a human face better shows the critical urgency of the need for involvement. If ever you doubt whether you ought to be involved, put a face of a loved one on that need and then dare to see if you can walk away.

As for the private sector, I believe our responsibility is to continue to look for opportunities where we can help. In its simplest form, it's a private citizen or restaurateur taking food down to the local food shelf. In a more advanced form, it is about being willing to dig in and to think more creatively with the talents and energy you have.

For the restaurateur, this could mean getting to know the director of the local shelter and seeing where our expertise might be most helpful. It often boils down to using your own commitment to influence others, individuals, restaurateurs, other leaders in the community, and motivate them just enough to act.

I am convinced that raising awareness, sometimes even more than money, is one of the most valuable ways to start progress in motion. The greater the number of people who believe that, in big ways and small, they can work to produce solutions, the greater the impact they'll have. Awareness, fueled by the passion to act and positioned with efficient funding, will result in energy that has a real impact, energy that can change lives.

I thank you very much for holding this important hearing today. I and thousands of colleagues in the hospitality industry and over 10,000 volunteers now part of the Share Our Strength network intend to keep trying to make a difference. I hope that you will support these innovative efforts as well as to continue to play a role in providing creative energy in the battle to fight hunger now and to prevent it in the future.

Chairman WYDEN. Excellent testimony, Mr. Kostroski, and I want you to know that I feel central to this cause is to look at ways

in which Government can make it easier for people like yourself to take on these tasks and work in your communities. So, we very much appreciate your testimony. You have been very helpful, and I am going to have some questions for you here in a moment.

Mr. Butler, you as well have been waiting an awful long time, and we know about the good work that you all are doing, and I have known Mr. Shore for a number of years and have admired his commitment, and you just please proceed.

TESTIMONY OF PIERCE BUTLER, EXECUTIVE VICE PRESIDENT, AMERICAN EXPRESS

Mr. BUTLER. Thank you very much for the opportunity to be here today to tell you a little bit about what American Express is doing to fight hunger in America. It is very appropriate that my testimony follow Wayne, because really the reason American Express is involved today to the extent that we are is because of people like Wayne and thousands of other restaurateurs around the country who recognize that they have a special ability to help this very important problem.

We got involved with Taste of the Nation, as Wayne referred to, about 5 years ago and became the national sponsor, and that really was the take-off point for getting involved in what I want to talk about today, which is Charge Against Hunger.

Charge Against Hunger is in its second year and so far we have helped raise more than \$10 million for grassroots hunger relief and prevention groups in all 50 States and Puerto Rico. Charge Against Hunger is effective not just because it is sponsored by American Express, the corporation; it is effective because it is done with the full enthusiastic support of our card members and with merchants like Wayne and many others across the country who accept the American Express card, with our employees, and most importantly with a knowledgeable, credible nonprofit partner, Share Our Strength, dedicated to hunger relief and prevention.

Right now we are nearing the end of our second Charge Against Hunger holiday campaign that began on November 1st and will continue through December 31st of this year. Basically every time the American Express card is used, we are donating 3 cents to Share Our Strength, up to a total of \$5 million.

Chairman WYDEN. Let me ask you something. Is that regardless of the purchase?

Mr. BUTLER. That is any transaction.

Chairman WYDEN. If somebody uses their American Express card, buying a cup of coffee or they are buying their youngster a present or something, 3 cents goes during the holidays for that.

Mr. BUTLER. That is correct. In fact, in 1994, we hope to raise much more than \$5 million because this year we have been able to get many other companies involved with us, and this is really one of the most exciting parts of really year two of Charge Against Hunger, to the extent that we have built a ground swell and getting other corporations to join the charge with us.

For example, K-Mart is donating 5 cents every time the American Express card is used in a K-Mart store. That is in addition to our 3 cents. The Melville Corporation, which includes CVS, Marshalls, Tom McCann, and KB Toy Stores, is also matching our 3

cent donation every time the card is used. Madison Square Garden is matching our donation at all their sporting events at the garden. The National Football League, we were involved with them at seven home games this year and got 120,000 cans of food which were donated to local hunger relief organizations. That is just an example of the people who have come on board with us.

Just to give you a quick sense of why we got involved as a corporation in this, we have five major objectives. First, to help educate American people to the fact that hunger is indeed a national problem with long-term societal implications.

Our research show that most people are aware of homelessness, but they believe hunger is primarily an international problem, most critical in places like Somalia or Ethiopia.

Second, we wanted to show the public what American Express is doing to help in the fight against hunger.

Third, Wayne's point earlier, to raise public awareness of the vital work that Share Our Strength and others do and the leadership role that they take in fighting hunger.

Fourth, and importantly, to issue a call to action, which would inspire people to use the American Express card as a means of fighting hunger, and it would encourage merchants to willingly accept it.

Fifth, to inspire our employees and others to volunteer at hunger relief agencies at the grassroots level.

To get our message out we developed a compelling national television, print and radio advertising campaign featuring Billy Shore, the founder and executive director of Share Our Strength. There has never been national television advertising addressing the issue of hunger in America and particularly not during the Super Bowl or the Macy's Thanksgiving Day Parade, when millions of Americans are gathered with friends and family and are closely watching their televisions.

Just to give you a sense of what the impact of this program has been, last year our first year in Charge Against Hunger, American Express raised \$5.3 million, ranging from \$1,000 to \$305,000, to grassroots hunger relief organizations. Some of the results of those donations: Nearly 400,000 more children now receive breakfast at school as a direct result of Charge Against Hunger.

Among our 1993 grants were 30 Prepared and Perishable Food Recovery Programs, which received a total of \$345,000, enabling them to collect donations of surplus food that would otherwise go to waste. A total of 4 million pounds of food has been rescued nationwide, thanks to Charge Against Hunger.

For example, SOS has identified Growth and Development or Failure to Thrive clinics as one of the best ways to identify child hunger and malnutrition. These organizations offer a way to break the hunger cycle for an entire family. Our donation of just \$315,000 to 12 of these clinics is helping thousands of families.

In fact, in your own district out in Oregon, the Super Pantry program is another innovative hunger fighting strategy that we have funded. These multiservice agencies, such as the St. Vincent de Paul Food Train in Portland, Oregon teaches nutrition classes, food preparation budgeting and other life skills so that families can be-

come more self reliant. American Express has donated \$180,000 to 11 such programs across the country.

In essence, what we believe as a corporation is that there is nothing wrong with doing well by doing good. This is good for our business and it is good in terms of helping solve one of the major problems in this country.

We would like to see more businesses and more individuals join the fight against hunger, not only large corporations and their employees, but also independent merchants and individuals across the country, donating their time, talents and whatever resources they have to help assure that every man, woman and child in this country has enough to eat. That is the spirit of Charge Against Hunger. Putting an end to hunger in America has to be a collective commitment on the part of individuals, businesses, nonprofits and Government, all working together.

At American Express, we believe the Charge Against Hunger sets an excellent example that can serve as a model for the corporate community and leading nonprofit organizations to join together to combat many of the problems that effect our country today.

Thank you, Mr. Chairman, for inviting us to testify today and look forward to any questions you might have.

Chairman WYDEN. Mr. Butler, thank you.

Your testimony also is very helpful, and I have watched what you all have been doing at American Express. We would like to put you in a Xerox machine and see if we could get more copies of you stationed around the country with other companies trying to bring about this culture of participation and culture of involvement with communities in attacking hunger and we very much appreciate it.

Father, we welcome you, you have been very patient and look forward to your views and comments, and you please proceed in any way you feel comfortable.

Father SIRICO. Thank you, Mr. Chairman.

What I am about for say may surprise you. Although I am wear a Roman collar and I am here to testify about welfare policy, I want to express to you my fear about your appropriations of more and more money for the supposed purpose of serving the poor.

I have not come here today to push for any Federal programs. In fact, I have a dismal view of your giving for subsidies for charities. I am not encouraging you to expand hunger programs, food stamps, WIC or any of the more than 100 welfare programs that the Federal Government presently offers.

Now, it is very easy to character tour my position, so I want to be emphatic about what I am not saying. I am not saying that we as a society have no obligation to those who are hungry and those who are vulnerable. We have an obligation. My concern is that the Federal Government is impeding the ability of the American people to meet that obligation.

We know that in our heart of hearts these programs have not done the good they have supposed to have done. After more than 30 years experience, we know that Government assistance has in fact, failed to cure the social ills it was created to cure.

Sadly, the welfare state has proven to be a cure more worse than the disease. My belief is that, despite good intentions, these pro-

grams have reinforced dependency on the part of many of those they were intended to help. They have created huge bureaucracies that discourage creativity and perhaps most pertinent in this conversation, they drain the energies of the private sector's own ability to meet these real human needs.

In fact, I am suggesting that you begin to diminish the role of the Federal Government in the provision of all sorts of charity. To put it bluntly, Government welfare invades the territory which properly is the domain of communities, individuals, and churches. Ministering to the needs of others, both spiritually and materially, is what those of us in ministry and those who are in business are about. Yet, for decades, the Federal Government has set itself up as a competitor in this crucial business.

You have asked for my commentary on several facets of welfare reform. My area of expertise leads me to focus on what can be done to make private charity easier. I have had experience in homeless shelters, AIDS hospices, medical clinics, soup kitchens, Meals on Wheels, homes for unwed mothers, programs to help women out of a life of prostitution, hospitals that serve the poor and the elderly and more.

I have witnessed much suffering and much pain on the part of those in need, and I have witnessed heroic acts of charity and generosity, even more heroic acts of courage to overcome terrible odds.

In my experience, the charities that have really worked, that have really met human needs, have been primarily those that rely on the voluntary efforts of people who care, and not from programs that are administered from this city. People involved in projects in their own communities often fulfill needs that are spiritual and emotional, as well as material. It doesn't take years of experience to know this. We all know this intuitively, we know it from what we read in the papers, we know from reflecting on our own patterns of behavior.

The question we face today is not what Congress can do for charities, but what Congress can let them do for themselves. Our focus should not be on how to expand the Federal welfare state; it should be on how to make private charity an effective and normative alternative to the welfare state.

Yet, Government welfare has a way of crowding out the good efforts of private charities and making itself the resource of first resort. I have seen this happen repeatedly in my work where local, private groups come to see their function eventually as interesting the Government in carrying out the tasks which are properly their own. I have even had a professor of American church history tell me that he believes that the role of the church is not to feed the poor directly, but to lobby to see that the Government feeds the poor.

Yet, people give less to charity when they are taxed excessively. Additionally, people feel a lessened sense of obligation if they believe the poor are living off the efforts of others taken by taxation. When Government is omnipresent, reversing the gains of private charity with money and programs, private charity has a harder job instilling a sense of independence in people. The two compete and they compete on the basis of different philosophies. Private charity seeks to help people in need. Government welfare seeks to perpet-

uate the programs themselves. I believe these two philosophies are at odds with one another.

We should remind ourselves that the State cannot centrally plan authentic charity any more than we can centrally plan the direction of the economy. We must leave it to private individuals, trusting the goodness of American people to reach out to others, as they would be inspired to do even more if the Government would allow more room for the spontaneous actions of the nongovernment sector.

Yet, there is no need to expect a dollar-for-dollar replacement of Government dollars and private dollars. Much of the \$300 billion spent on Government welfare does not reach the poor; rather, it fuels the welfare industry, the bureaucrats, caseworkers, service providers.

Private efforts are so effective that it will not be necessary to transfer the same amount into the private sector's hands. The private sector is able to do more with less.

What, then, is the role of religious leaders in the reform of welfare? The political support for fundamental reform may be bipartisan, but too off-the-mainline religious establishments lag behind. Too many remain attached to the old ways of providing for people's needs that rely primarily on Government solutions, and I am all too well aware that religious leaders have denounced the proposed cuts in loaded ethical terms.

These religious leaders are absolutely correct that the welfare debate is more than about technical issues like spending, budgeting and deficits. Yet, leaving efficiency aside, the modern welfare state substitutes itself for society and deprives society of its responsibility. It does this by creating public agencies which think bureaucratically instead of in terms of what is best for the client in need.

The welfare state has fundamental moral defects, among which are that it drains the creative energies of the recipient communities, diminishes the incentive for personal acts of charity and relies on excessive use of State power, which in turn results in vast increases in public spending.

There is broad consensus that the present welfare system should be overhauled. We must now decide when, how and on what moral basis. A serious reform will require spending cuts and reordering of political priorities. The shakeup will change how the poor are served. For many, this will affect the structures of social authority and the incentives for critical life decisions.

There is indeed a role for religious voices in shaping the debate. It is to the credit of the American people who they will not tolerate radical changes in the welfare state that appear cruel, inhuman or immoral. At the same time, more is required of religious leaders than simply blessing the present system and pushing for more Government money for church-run charities.

Religious leaders and institutions need to step out in front of policy trends even while they affirm the charitable obligations of traditional faith. We need a more moral and more effective alternative to the welfare state, as can be found in the domain of private non-profit and for-profit sector.

I believe there are ways Congress with help in shifting the burden of welfare. It needs to shift from citizens in their role as tax-

payers to citizens in their role as good people with charitable hearts assisted by professionals who can pursue their task without excessive Government intervention. At the present time there are over 1 million nonprofit organizations across the country. Nearly 950 million Americans volunteer at least 3 hours each week in these nonprofit groups.

Individual and family charitable contributions are made from discretionary income; that is, from funds that are left over from family budgets and taxes. When taxes go up, the choice of where to put the marginal dollar cuts against charitable that—cuts against charitable contributions. Over the last several decades, it has become more difficult to give to private charities and religious bodies of all sorts. Indeed, charitable contributions fell last year, according to a new report by the independent sector.

That is part of the reason we need to structure our tax system to make charitable giving more financially rewarding and less complex. For example, we could allow individuals to deduct 110 percent of their charitable contributions, thereby increasing the incentive to give. Or we could reappraise the charitable tax deduction with a tax credit, which would allow people to choose to use their money to support either public or private systems of welfare provision.

These are questions for you to decide. What we need now is not so much a blueprint, but moral courage to pursue some common-sense plan with vigor, regardless of the opinion of many mainline religious leaders. As you deliberate, think of the changes that would help you and your friends and your family be better givers.

Another way to encourage charitable giving is to reduce taxes that hit families and best. Data from the 1980's show that charities benefit when marginal tax rates are lower. Serious welfare reform must look at lowering the tax burden of individuals, families and corporations and businesses so more people contribute voluntarily to charitable efforts.

We also need to make it easier for private and religious charities to administer to those in need without the Government regulations that have impeded some innovative efforts in the past. Food, housing, safety, marketing order regulations, for example, have forced small charities to choose between providing for people and complying with bureaucratic mandates.

As an example, in Grand Rapids at our food pantry, people often used to donate food that they canned in their own homes and they would could donate this for distribution to the needy. Now we are told that we are forbidden by law from giving away these canned goods.

How strange it is that food that can be given to middle class neighbors who may not reach those who are in need. The FDA often acts as a barrier to food distribution. Whether it is meat provided by the hunters in Texas or undersized fruit from California, it frequently does not reach people in need because of some bureaucratic regulation.

Even Mother Teresa has met with similar obstacles. In 1991, her order, the Sisters of Charity, wanted to renovate two old buildings in New York into needed homes for the homeless. The sister bore all the costs of the project, neither requesting nor receiving Government money.

The city intervened by insisting that they install a costly elevator for disabled clients. The nuns simply could not afford this. They requested a waiver and expressed their willingness to carry any handicapped clients up and down stairs whenever necessary, demonstrating their humble service to the disabled.

Yet, the director of the Office for People with Disabilities complained that this was not acceptable, and as result Mother Teresa's plans for the homeless were dashed. These were city regulations, I know, but a similar mindset has now been codified in the Federal law by the American with Disabilities Act.

Again, I am not offering you specific proposals. I am simply asking you to consider the effects of existing regulations. At the very least regulations need to be relaxed for the smaller charities, the most local charities, that serve meals, give shelter to the homeless and provide counseling service, because these are the agencies that know the needs best and most intimately.

One of the perverse effects of the welfare state is that it diminishes and even punishes the charitable impulse from people's hearts and minds. In economic jargon, this simply means that bad charity crowds out good charity. In moral terms, this effect represents the temptation to expect large institutions to do what is truly the responsibility of people of faith and people of compassion to do with private funds, and that is one of the many reasons charitable giving to clients when enthusiastic promoters of the welfare state controlled Congress and the executive branch.

I believe one of the unfortunate effects of Government welfare is that it has encouraged many people to look at the poor with disdain rather than with compassion. They have been taxed to pay for social needs, so they are tempted to think that they have done their part. The human instincts to help a neighbor in need has been dulled.

This is a terrible tragedy, both for the client and for the one who should be giving, and it weakens the moral fabric of society as a whole. We have obligations to help those in need, but our duty goes beyond, far beyond merely paying taxes to fund a Government program.

Data from 1950 to the present show that when Government spending on welfare increases or the public perceives that it is increasing, the percentage of personal income given to charity declines. This postwar peak of charitable giving, 2.6 percent of personal income, dates from the beginning of the Great Society programs. As the welfare state grew along with the tax burden, charitable giving fell.

This can be reversed. Charitable donations will increase as Governments cut back and the public is reminded of its moral obligation to serve others. To encourage more volunteerism and financial support for charities that feed the poor, there must be a widely held public perception that real cutbacks are occurring in Government welfare spending. Without real cutbacks, people can say, If I don't do it, the Government will do it.

As additional benefits, social resources can be returned to the private sector and used for investment and the growth of business rather than bureaucracy. The best welfare program is a growing

economy that encourages job creation, rising real wages and superfluous wealth.

Excessive regulatory burdens depress job growth by decreasing the cost of enterprise and labor, a point overlooked by many leaders in this field. Economic growth also increases personal and discretionary income which in turn reduces the cost and thus increases the likelihood of personal generosity.

To the extent that we have Government programs, they should be administered primarily on the local level. Moral philosophers within my tradition have called this point the principal of subsidiarity, which means that large Government institutions need not take over what smaller institutions and more local institutions can do. This principle should be understood and applied by all in Congress responsible for the reform of welfare programs.

The closer the connection between the donor and the recipient of welfare, whether public or private, the more likely it is that funds are going to be used wisely, fostering independence and personal growth on the part of recipients. The most important first step in this debate for religious leaders is to break the habit of first coming to the defense of the welfare state any time that it is threatened by new ideas. Creating a new theology of welfare is not only politically wise, it is also the right thing to do for those most in need of our help.

For political leaders, the important first step is to admit the inability of Government to do what the private sector can do better and more efficiently. The second is to make it easier for the private sector to do that job more easily.

As moral obligations go, these steps may not suffice, but they are necessary despite what other men in dollars may tell you over the coming days.

Thank you very much.

Chairman WYDEN. Father, thank you very much for your presentation. You make a number of very provocative points, and you might be surprised points that I agree with.

You raise a number of issues that I think are very important. The matter of the moral benefit to citizens who participate individually I think is indisputable. I think that our country benefits significantly from a moral standpoint from that kind of involvement and certainly this matter of spontaneous action outside the Government and policies where Government makes that easier again is to me something very important.

I am going to ask you some questions after a bit. I also want to focus on a couple of the specific areas you talked about with respect to this home canning business, because I know there are many small businesses involved in this, and I would like to follow-up with you and have my staff work with you on it, because we have got to figure out a way, whether it is FDA or local rules and jurisdictions, as to what is the problem here, because I know and you know, my home State must have the highest number of home canners per capita of any State in America. It is kind of like you go in my congressional district and even more rural districts and everybody is involved in home canning and there ought to be a practical way to get these products whether they are, as almost always is the case, helpful and wholesome to charitable organizations.

I want to follow up on that, and also this matter of relaxing the rules on small charities. I mean, we shouldn't say that every single charity in America is like the Red Cross or United Way or something like that and have a one-size-fits-all kind of set of rules.

I wanted to ask you, though, before we left your testimony, because it really is provocative and very important, do you feel that there should be any Government role whatsoever in this field? Let me just finish this for one quick second.

I think we have heard today about a number of very good public-private kind of partnerships, and instances where the Government's role is pretty modest and it has unleashed a lot of creative activity in the private sector. I think it would also be that there ought to be a Government safety net in effect, a backstop to ensure that after we have done everything possible in the private sector to unleash the kind of creativity that you are talking about and the individual involvement that the Government in effect, say in a more society, the Government also would be there to try as a backstop to be of help wherever possible.

Is that a view that you share? Do you think there should be some Government role, or should the Government just step aside altogether?

Father SIRICO. I don't think the Government role should be normative. I don't think the Government should be ruled, as I think it is, as the resource of first resort. I think all other forms of support should be exhausted before we come to the Government.

Secondarily, I think to the extent that Government is involved, I think it is best involved on the most local level, because so much of the problem that we have when we talk about this big problem of hunger or the big problem of poverty is really a multifaceted problem that we have heard discussed here today and kind of teased out, which means that we need more knowledge about the individuals who are hungry, we need more knowledge about the individuals who are poor. The people who have that knowledge are not people sitting here in Washington; they are people who are on the local level, who are neighbors to those in need, because very often a problem of hunger can be solved not just by putting more food on the table, but by the kind of associations and people who are malnourished because of not having somebody to eat with.

So I think the Government, to the extent that it is involved, it must not be involved in ways that discourage society itself. Society itself should be normative, rather than the Government.

Chairman WYDEN. Well, you characterized it well in your statement on page 2, something that I would very much agree with, that the Government clearly cannot be a competitor, and I think that is a very useful way to characterize it. I think that what a lot of us are looking for besides can you take 14 programs and make them 4 and shrink the role and free up some additional resources and change regulations to make it easier for home canning and small charities, those examples where the Federal Government can play a constructive role.

For example, I think that one of the things we heard from the folks who are involved in commodities is that they felt that the Government, the Federal Government, had a role as a smart shopper, because the Federal Government could be in a position to use

its marketplace clout, and maybe when we will get to some questions here in a moment, we will go through it.

But I am glad that you have brought a number of provocative points to this subcommittee, and you should know perhaps surprisingly I agree with more of the points that you are making here today than some might think, and I thank you for it.

Mr. Fretz, welcome.

TESTIMONY OF BURTON D. FRETZ, THE NATIONAL SENIOR CITIZENS LAW CENTER

Mr. FRETZ. Mr. Chairman, thank you for the opportunity to testify.

I think the challenge of meeting the problems of the elderly, malnutrition and hunger are growing ones, and this hearing is extremely timely and important. We appreciate the subcommittee's convening it.

In view of the hour, and with the permission of the chair, I will submit my written remarks and try to just highlight two or three points.

Chairman WYDEN. You have achieved sainthood for that.

Mr. FRETZ. The National Senior Citizens Law Center provides support to advocates across the country, primarily advocates for low-income clients. In the course of that, we provide assistance in perhaps 3,000 to 4,000 cases a year, including cases involving nutritional questions.

Certainly our experience echoes the kinds of things that the subcommittee has heard from witnesses this morning, both anecdotal information and statistical information, which provides a very useful framework for approaching the problems that we see.

I just would want to say that in the exchange between the chair and several witnesses on the first panel, it became clear that those witnesses at least saw elderly, low-income food stamp recipients faced with regular tradeoffs in their personal economies between such things as prescription medicines and food. That reflects something that I think is quite common among elderly households. We hear it time and again that toward the end of the month, without an adequate supply of food stamps, that kind of choice has to be made, and we certainly submit that in the United States today that is not an acceptable choice for anyone, certainly not for vulnerable elderly individuals.

The subcommittee has invited suggestions about ways of making food programs work more effectively. I would like to highlight two of them, if I may. One of them involves more effective implementation of the current provision in the Food Stamp Act that calls on the Social Security Administration to provide outreach assistance with food stamp applications in social security offices. The notion behind that is the notion of one-stop shopping, if you will, that elderly people have business anyway at the social security office.

If they can be provided a simple 6-page food stamp application by social security, and assisted in completing that and it is forwarded to the food stamp office, that will avoid the transportation problems, the long lines, the red tape, the up to 27-page local State food stamp applications that an elderly person might otherwise

face and would facilitate the participation in the food stamp program.

The problem with that is that until very recently it has not been effectively carried out by the Social Security Administration, which saw its obligation as satisfied by placing posters about food stamps in the lobby. That has become the subject of litigation.

To its credit the Social Security Administration I think got religion, talking about sainthood, and is now making some genuine efforts to implement its duties and make the law's promise of one-stop shopping a reality. Even if that is resolved, it is going to take some careful oversight to make sure that the responsibilities continue to be observed. So, that is one area where food programs could operate more effectively with better Federal agency administration.

A second area, as has already been highlighted I believe by yourself, Mr. Chairman, in your opening remarks, and that is the potential within the aging network for greater use of volunteers in assisting elderly individuals and households with nutrition-related needs. I think that assistance probably has greater potential in the area of serving as authorized representatives to just to provide information to older people about their nutritional needs and about food programs, as well as to provide transportation and specific nutritional expertise in the preparation of meals.

I agree with the Assistant Secretary for Aging that volunteers do already play a heavy role within other parts of the Older Americans Act. Given the emphasis on nutrition, elderly nutrition by the Assistant Secretary, I think that is certainly a good area to explore further the more effective use of volunteers.

I might add that in a related area, in SSI outreach, supplemental security income outreach, the American Association of Retired Persons in the past few years has set up volunteer programs to provide information and assistance to elderly individuals in SSI which by and large was quite successful, and I think it beckons for a similar cooperative arrangement in food programs in the older Americans network.

The other point I spelled out a bit more in written testimony and that is a great deal of concern about what would happen to elderly food programs under current proposals for block granting. Unless there are later questions, I won't elaborate further on that.

Thank you for the opportunity to testify.

Chairman WYDEN. Mr. Fretz, thank you very much.

I don't know if you are aware, but I go back a long ways with the National Senior Citizens Law Center and have worked with the organization since my Gray Panther days and the days when I ran the legal aid office for the elderly at home. I think that your organization performs a very great service for the country, and I am glad you are here, and a good way to wrap up as well.

Let me ask just a few questions of this panel, because we have been at it about 4 hours and you all have been very patient.

Tell me, Mr. Kostroski, the National Restaurant Association has worked closely with our subcommittee on a lot of issues, and maybe you need to get back to us with a little more detail on it. But is it your sense that there still is a lot of food that is being thrown

away at restaurants and caterers and other programs that could be passed on to food banks?

Mr. KOSTROSKI. Mr. Chairman, there certainly is still too much food being thrown away that certainly is still edible, and it is interesting, Second Harvest has taken a real progressive approach to helping to make sure that is taken care of.

Locally, I forget what it is called nationally, but food chain up in Atlanta does it as well. It is called the 12 Baskets Program, where literally whether when you have banquets or large events, all you need to do is call up and let them know that you have extra food and they will come by. You package it up and you get it to the most immediate need food shelf in the area.

It is interesting, what has also come about in the last few years is what we do in our restaurants, and more people need to know about it in our industry, and that is literally the food that does come off the table, instead of going into the garbage can, as we have all been used to for all of our lives, that if it is not edible, you throw it away, it goes into buckets. Second Harvest has also taken the lead on that as well, to where you take that food, it is sanitized, they do something with it—I am not an expert—and it becomes livestock feed. The only thing that you can't put in there are coffee grinds and onions. The animals must not like onions and coffee. But it is a great program, because whenever you do something small, it effects a lot of other things.

What that does, even to the most stout bean counter in our industry or an accountant or a CFO at a large hotel company, you are not only doing something right with the food, but you are also reducing your garbage cost, because the cost of the tonnage of garbage that is being collected is reduced and you are saving money that way.

Sometimes you have to come at influencing people to make some changes only by dollars and cents. But that particular need I think is being met more and more and more, and certainly through the size of the restaurants that are in this country, and many of them are small operators. Far and away the largest, almost three-quarters of a million of restaurants in the country, are small operators. It is a matter of getting that word to them, that these programs are there and they don't cost money and they are good things to do, and they help local communities.

I think the point that Father made was exactly right, and that is if you look locally first, you are going to find a lot of ways that you can help. So, it is an education process to the restaurateurs, but also it begins to develop a stronger relationship with the operator and the food shelf. Like I mentioned before, we have the expertise, so if you at least make the introduction by some way of connecting with a local organization, then when that organization needs a cooler repaired or if they need a piece of equipment, if they go the normal sources, they are probably going to pay more; but if you are a larger operator and you have a little more clout to go to a repair service, you may even have it around there yourself, you may be able to get it done for much less than it would cost them going directly to that service.

So in finding solutions to one problem, we access food and that food shouldn't be thrown away if we don't have a use for it. You

start to develop more and more relationships. It also connects to the employees, I might add.

You talk about the number of restaurants and you multiply that times each one of them having 5 for 10 employees per unit. They see that more responsibility is being taken by the organization and they are introduced to ways that they can help in the community and it starts to spiral quite quickly.

Chairman WYDEN. Your answer is interesting in the sense that you think this is largely an informational kind of issue. I mean, the kind of question I have is you go out to dinner with the Wyden family. Lilly Wyden, age 5, will fight strenuously against eating a vegetable salad and it is untouched, it is just untouched and I'm sure that all across America similar scenes are played out.

What has to be done to make sure that that fresh, untouched vegetable salad can somehow get out to those who need it?

Mr. KOSTROSKI. I'm not sure that once it comes out to the table that there is other than the reuse-to-the-livestock method. In my opinion, I don't think you'd be able to sell that to the next table to say, this is coming to your daughter, she didn't touch it, so you are going to be OK.

Chairman WYDEN. But I'm talking about ways—this is something that you know far more about than I, that if you are you are talking about something—a fresh vegetable would be something that would come to mind that a restaurant could clearly tell was untouched, would there be a way that some of these kinds of programs that we've heard from today could get that kind of commodity?

Mr. KOSTROSKI. I'm not sure if—again, untouched. Once it goes out the kitchen door, in my opinion, is probably less likely. My 4-year-old Judith Kostroski would rival your Lilly in touching certain vegetables as well. I see that myself and I get concerned about what is being served.

The other side of that is just the sheer portions. More is not better as far as I'm concerned in the restaurant industry. What you want to do is you want to serve a portion that is going to be consumed, so that if in fact, not all the vegetables have come out of the kitchen they haven't all been used and maybe they are just not good enough to your standards to be served another meal or the next day, that food in fact, then is able to be taken out to a Second Harvest program and in fact, be used for families that need them.

Chairman WYDEN. Tell us, if you would, then on the Government side what kinds of things Government could do to make it easier to assist in the food area?

Mr. KOSTROSKI. I think allowing us to operate a little bit more efficiently, and I think some of the points that were brought up earlier as well about what regulations exist as to when you can give food, when you can get involved, but also just of running a business.

The early testimony that I applaud you in trying to point out somewhat I would call basic economics and budget directions as far as if the pipeline reduces should not the administrative dollar amount reduce. Also, as an owner of a business, I can guarantee you that if sales reduce, I have no choice but to reduce other costs

along the way. I just don't have—those cannot remain consistent or I'm going to be out of business.

So I think in many ways from a Government standpoint as it relates to this issue, is ways of looking at our industry. You know, we are the largest employer, retail employer in the United States, and we provide many first-line jobs, first jobs within our industry for people who enter into the work force and many times I think some of the perception that tends to come is that we are this large mean old animal of people who are all fat cats and we don't care about them, that when we come and get concerned about certain taxes or certain restrictions on employees or any items that come up that we are first defending—being insensitive and just defending business alone.

The restaurant industry donates a lot of effort and opportunities for people in their communities just from the standpoint if you have gone to benefits you will see a lot of silent auctions type of things. We need to be healthy in order to give gift certificates, chef appearances, all sorts of other things, we need to run a business as best we can with reason and restraints along the way.

I think it's important to recognize that as an industry we can influence a lot of people positively through employment and the number of people we see. We see a lot of people. I can talk with 300 people a day if my voice holds out that come through for one meal, period, and I can talk to them about anything I want. It's an industry that can be used very well for good messages and good participation.

So I think from a Government standpoint to look at issues more individually and more systematically as things come up—for example, even the ADA type of thing. What makes sense and what doesn't. A little more flexibility. I'm a small operator. What does that person really need to go to the spirit of what a particular law may have.

Chairman WYDEN. Please pass on to your colleagues at the National Restaurant Association that we are really interested in working at both sides of the equation I think you are talking about. We are interested in working with you all on the information side and also in terms of identifying Government barriers.

I mean, even in this discussion you have educated me in the sense that one of the keys in terms of unused food is looking at it in terms of where it is in the kitchen rather than even if something has been untouched and unused and actually gone out the door and this is helpful, and I think you are going to keep us supplied on both sides of this debate both in terms of information and education.

I thank you for it.

Mr. KOSTROSKI. We appreciate it. Thank you.

Chairman WYDEN. Mr. Butler, tell me about the arrangements that you all have for advertising campaigns. When you are involved in underwriting advertising campaigns, is this something that is eligible for a charitable contribution?

Mr. BUTLER. I'm sorry, I didn't get the last part.

Chairman WYDEN. Is this something that constitutes a service that's eligible for a charitable contribution?

Mr. BUTLER. No, it's not. They're always viewed as a marketing fund. The donation we make to Share our Strength as well as the advertising we do over and above that to let the world know that we are doing this and to raise awareness is pure advertising dollars. They are not submitted for charitable contribution—as charitable contribution.

Chairman WYDEN. What do you think has kept more private corporations from engaging in the kind of philanthropic activity that you all do?

Mr. BUTLER. Well, I can't speak across the board to the level that other corporations are involved. I think we took a very businesslike approach to it. We listened to our customers, both on the card member side and on the merchant side and found out what was meaningful to them, what they thought we could help in this terms of making a meaningful contribution or having meaningful impact and this is the thing that came up kind of on the top of the list.

I don't think we can set ourselves up other than to your point earlier as perhaps a model to other corporations. If they knew how we did it, why we did it, and what we gained from it from a business standpoint as well as from an eleemosynary standpoint.

We are becoming more involved with the National Committee on Responsible Philanthropy so we are talking more and more with other companies and trying to share ideas, share learnings in terms of we have a responsibility to give back to the communities in which we live and work and to our broader society, and this is one way that we feel we can do it in a way that is not only good for the particular cause or society that you are working with but for our business as well and I think that message just needs to get out.

There is a term——

Chairman WYDEN. Have you had other corporations contact you?

Mr. BUTLER. Yes, we have. In fact, there are ongoing discussions in terms of other people who have an interest in learning from us. We call it cause-related marketing. We kind of take credit for invented cause-related marketing back 7 or 8 years ago when we had a major campaign to help make donations to restoring the Statue of Liberty which at that point in time was in major need of an upgrade and this was just before the bicentennial and we did a campaign whereby when the American Express card was used one penny was donated to the restoration of the Statue of Liberty. That was kind of the our first effort in this area. We found out it had a lot of benefits both on the business side as well as the side of being a good corporate citizen.

We used that learning to expand it to our current effort as it relates to the fight against hunger and sharing some of those ideas with other corporations with similar resources and similar ways of helping I think will be a big help.

Chairman WYDEN. Well, I hope as I say that we will see other corporations come forward and follow your example because I think it really has shown that you can make a difference and that you can make a difference by reaching to local communities across this country and do in it a way people can understand.

I think Mr. Kostroski and Father Sirico both talked about this, that this kind of involvement and this kind of civic participation is

inherently a local kind of proposition. You can't have Washington, DC snap its fingers and everybody suddenly do it. I hope more firms will follow your example.

Father, just one additional question for you. On this matter of the local kind of standards that have impeded participation and the like, could you give us some more examples other than the home canning kind of sector.

Father SIRICO. Well, I I don't have any specific ones in mind. Of course, the thing with Mother Teresa made national news when that happened. That had to do I think with—well, it was the Department of the Office of the Disabled in New York City.

I think various kinds of zoning, marketing things that would—just from listening to what the American Express is doing without any kind of relief would say to me that if there was an incentive, a tax deductibility possibility, they could generate a whole kind of competition in the market for people doing this kind of thing which would redound to the benefit of all of the people being helped.

Chairman WYDEN. That would be more Government.

Father SIRICO. No, I think it would be less Government. In other words, you are taking less away from them by allowing them to have a tax deductibility. I think the money that people make is theirs in the first place and only secondarily for taxes.

Chairman WYDEN. I certainly agree with that, but as you know, when our citizens have the pleasure of filling out their 1040 form come April, they send their hard-earned dollars to Washington, DC and Washington, DC, then through the U.S. Congress has the opportunity to have a debate in terms of how to use resources.

Now, I think it may well be that an expansion of charitable opportunities through the tax code may be one of the most cost-effective ways to do it, but if you are taking hard-earned tax dollars, and I agree with you, the public owns those dollars, the Government doesn't own the dollars, that is still a Government kind of function.

Father SIRICO. Well, of course, there is a lot of debate about simplifying the whole tax code anyway.

Chairman WYDEN. If you do, then we are in a completely different arena and a number of my colleagues have proposals to do that and frankly I find a lot of that very appealing, too, because if you are not steering it to Washington initially, you don't have a debate in Washington about whether to—

Father SIRICO. Exactly. Keep it on the local level.

Chairman WYDEN [Continuing.] steer it back.

If you would, ask your colleagues and others in the religious community you work with to give us as many of these examples as they can, because I am quite convinced that they are out there and I think that the home canning sector is not the only one and if you can find other ones, we will be interested in tackling those.

Father SIRICO. In the spirit of communityism, I might also mention that the Mormons have a fascinating program, national program where no member in good standing with the Mormon Church ever needs to go hungry or go on welfare. It is through a completely privately run system of welfare that is run by the Mormon Church.

I see no reason why the Catholic Church or Baptist Church or other denominations or nonbelievers, just people concerned about

these issues, couldn't group together the way the Mormons have. They have whole acres of apple orchards and peach orchards and they have farms and things that are brought together, canned, and then repartioned out throughout the country.

They even have an emergency program where they have throughout the country trailers, I think 50-foot trailers that are capable of supplying people in need for up to 2 weeks in an emergency.

In fact, they were in before FEMA was in after Hurricane Andrew in Florida. What they did, they knew it was happening, they just hitched the trailers. They got to the border of the hurricane. When the hurricane receded, they moved in. The Mormons might be able to answer that question in a very good way as well.

Chairman WYDEN. Your sense is the Government is impeding some of those religious efforts now.

Father SIRICO. Yes. I think in all kinds of probably little ways that aren't even thought of perhaps from your perspective but that creep up the line eventually and become codified as some kind of right that people have.

In Europe, the most common thing in the world is to take some bread from one table if you haven't eaten it and put it on the next table. You know, I'm not saying that we needn't be concerned about the health, but I don't think in general that you are presented with a lot of health problems by something that innocent. That's a lot of waste, I would imagine, just on bread. It would be interesting to see a study done just on the bread that has to be tossed out.

Chairman WYDEN. I think the National Restaurant Association folks will advise us on that because clearly there are health considerations, there are considerations of how you even get into this from the standpoint of logistics and I don't pretend to be an authority on it and Mr. Kostroski talked about catching it before it went out of the kitchen and obviously it comes to mind, maybe this would be a better example and one perhaps we can think of is if you have one of these banquets that you are talking about and they have fewer guests than they thought and they thought they were going to have 27 turkeys and they kept five of them back in the kitchen, then everybody would agree when there weren't all those people who showed up, the five turkeys that were back in the kitchen could then logically get out to a food program or the like. Again I'm over my head in terms of talking about the logistics of this, but there has got to be some better ways to do this.

Father, thank you, and that was very helpful.

Father SIRICO. I wonder if I might be excused.

Chairman WYDEN. After almost 5 hours I think you are definitely excused and we are going to be anxious to follow up with you.

Father SIRICO. Merry Christmas to you all.

Chairman WYDEN. Happy holidays to you as well.

Father SIRICO. Thank you.

Chairman WYDEN. Mr. Fretz, if I might, tell me for a moment about some of the legal issues associated with older people getting assistance in these programs.

Do you sense that a lot of the older people are unaware of their rights with respect to assistance for various issues? That was what

I found in the days when I spent a lot of my time involved in the work that you all do, but maybe you could give us some more updated assessment.

Mr. FRETZ. I think that certainly describes the reality for a lot of the older low-income people. Several witnesses have noted that 2 out of 3 eligible older people don't actually participate in the food stamp program at any given time.

Among the key factors affecting participation, we found, are lack of basic information about the existence of the program, misinformation about who is eligible, and another big factor is the nature of benefits. There seems to be a mythology abroad that for many people the only benefits would be the minimum benefits of \$10 per individual, \$15 per couple, particularly for households receiving SSI.

In fact, both older and disabled households are entitled to a medical expense deduction. It's little known, little used, only about 1 out of 7 older—elderly households use the medical expense deduction even though we are told most are entitled to it. Those who take the deduction claim an average of \$90 in medical costs deducted each month and it makes a significant difference in their benefits and of course they can do a quick individual cost benefit analysis and then opt into the program.

Beyond that, the just the red tape, the sheer complexity of many State food stamp applications coupled with the time and inconvenience of going to an office and it tends to overwhelm many frail elderly people. Those are some of the chief factors that I think affect participation.

As to legal questions, there is some ongoing dispute, in fact, litigation with the Department of Agriculture over the implementation of the medical expense deduction. It had been provided by Congress in statutes in 1988 and again in 1990. It was never implemented in regulations by the Department of Agriculture until quite recently when litigation ensued over it and the Department promulgated an interim rule. We think once that's in place and utilized, it will provide—eliminate a major obstacle to participation by eligible individuals.

Chairman WYDEN. Tell me, if you would, about this monthly reverification of ongoing medical expenses as it is cropping up in the hunger programs. It strikes me as this is awfully bureaucratic sounding with something required for both individuals and the agency involved. Is all this really necessary?

Mr. FRETZ. Well, it's not in fact, and the amendments to the Food Stamp Act that I mentioned a moment ago actually provide that monthly reverification of recurring medical—

Chairman WYDEN. So if this rule was changed that you described, that would take care of the reverification question?

Mr. FRETZ. That should take care of it, yes.

Chairman WYDEN. I guess I didn't pick up on that.

All right. I think I will excuse you as well. You all have been an exceptionally patient panel. We have been at it for something like 4½ hours.

This is the subcommittee's last hearing of the Congress. Suffice it to say, these are not partisan issues, I haven't heard anybody mention much about Democrats or Republicans today, but I have

heard a lot of constructive ideas about how we do a better job in this country about freeing up both private and public resources to help older people.

We are going to lose some of our good people for the next session. Our Ranking Republican, Mr. Combest, who has been a very good colleague and somebody easy to work with goes off to head the Intelligence Committee where in my view he will do a good job, and Congresswoman Jan Meyers will be heading the full Committee on Small Business and I think you will find her to be both fair and caring. So, we have got a foundation to work with when the next session begins.

I just want to wrap up by thanking some very fine staff people who are here. Herb Hammond has been with us for some months with the Public Health Service and has done yeoman work for us on a number of projects. We are very pleased to have had Mary Ann Keenan who helps from the standpoint of coming from the General Accounting Office and has been a great addition.

Lisa Gelb, an attorney, had to duck out and has lots of demands on her time but has done excellent work on this hearing and other issues. We are very pleased from the Minority, somebody we wanted very much to have with our subcommittee, Chuck Sobatos is here from the National Institutes of Health and has been in my view a great addition to the subcommittee and we are anxious to work with him in 1995 in the next session as well.

Finally, this fellow on my right, Mr. Jennings, our staff director, is as good as it gets in the public service business and many of you have had a chance to work with him know that that is the case and he has been a friend for a lot of years and we are going to continue to work together in one capacity or another in the next session of Congress, and I want to thank him for his excellent work on this and lots of other issues.

We always give the last word to the witnesses. My last words are about done. So, Mr. Kostroski, last word for you.

Mr. KOSTROSKI. I just wanted to pass along that we will get more information from you—for you on the good samaritan laws through Share Our Strength. There is a lot of research done on that and Share Our Strength has influenced a lot of changes in that area. Generally, it is up to each State but there are also specific bits of information that we will pass along through Share Our Strength to you as a follow-up.

Chairman WYDEN. I think that is good and, there will be lots of discussions about legal reform in the next session of Congress and it ought to be possible in a bipartisan way to protect good samaritans while at the same time making sure that individual rights are protected as well. So, we would like to see any input on that.

Mr. Butler, Mr. Fretz, anything you want to add further, last words for the Congress?

Mr. BUTLER. Thank you very much.

Chairman WYDEN. Thank you and the subcommittee is adjourned.

[Whereupon, at 1:57 p.m., the subcommittee was adjourned, subject to the call of the chair.]

APPENDIX

OPENING STATEMENT
REP. RON WYDEN

BEFORE THE SUBCOMMITTEE ON REGULATION, BUSINESS
OPPORTUNITIES AND TECHNOLOGY

HUNGER IN AMERICA: PUBLIC AND PRIVATE RESPONSES
TO A GROWING CRISIS

December 21, 1994

Today, the Subcommittee on Regulation and Business Opportunities holds its final hearing of the 103rd Congress on a problem that seemingly has no end.

As we speak, millions of our fellow Americans are going hungry. In our rich nation, with its extraordinary resources, we witness the tragedy of older people scrounging in dumpsters for their next meal.

This is a picture that shames us as a nation.

Our hungry poor are not only seniors. They include the homeless, and mothers with young children. Some have physical disabilities. Some have mental infirmities. Most are handicapped only by common poverty. Over the years, both the government and private charities, and increasingly business, small and large, have made efforts to try to help them.

Tragically, the efforts of the public and private sector, which are significant, don't come close to meeting the needs of persons desperate for a decent meal. This problem is the focus of today's hearing.

The task is daunting.

-- According to the Wall Street Journal, in spite of a federal statute providing free meals to those over 60, several million older people are going hungry, and the number is growing. Better than 50 percent of the elderly who are eligible for nutrition assistance aren't enrolled to receive benefits.

-- According to the Congressional Hunger Caucus, more than 20 million Americans face hunger at least several times per month.

-- Twenty-seven million of our fellow citizens currently are receiving food stamps. And 26 million rely on food banks for basic nutrition.

Meanwhile, the \$27-billion-per-year food stamp program is losing close to \$1.8 billion per year in waste, fraud and abuse, in part due to lax government investigation and enforcement efforts. These losses deny sorely needed benefits to hungry Americans, and place this program in political jeopardy.

-- One American in five relies on a government-sponsored food program. Approximately 90 percent of these people are women, their children and the elderly.

During the next Congress there will be a vigorous debate over the future of welfare programs. So far, the proposals before us stretch well across the ideological spectrum. They range from expansion of costly and sometimes inefficient Great Society programs to returning to an earlier philosophy leaving the poor to more or less fend for themselves.

These opposing views are red meat for a protracted ideological battle. The hungry of America can not wait for one side or the other to declare victory.

The Urban Institute reports that federal feeding programs leave at least two-thirds of the elderly poor uncovered. According to a recent Tufts University report, after a reduction in the number nutritionally deficient persons during the 1970s, the number of hungry Americans grew by 50 percent between 1985 and 1991.

There are huge holes in the social safety net when it comes to feeding the elderly poor, and millions of others in need. Responding to this genuine crisis, takes more than Republican or Democrat, liberal or conservative dogma. The challenge now is to build a bi-partisan solution that consolidates both public and private efforts to bring better nutrition to millions of hungry Americans.

In my view, there is bi-partisan support in Congress for the proposition that government has a role in feeding the poor. No one will argue against the consensus that senior citizens should have access to good nutrition.

Corporate and non-profit private programs must shoulder a larger share of the burden. There must be better coordination and cooperation between government, corporations and charities to support food and nutritional programs.

The basis for this collaboration already exists. In my home state of Oregon, for example, food pantries distribute some 18 million pounds of donated groceries per year to more than 400,000 individuals. One-fourth of this food has come from federal surplus programs.

Today, we will hear descriptions of feeding projects organized by the commercial credit card industry and the restaurant business. Also, Father Robert Sirico of the Acton Institute will offer suggestions about how government can become more of a facilitator, and less of an obstacle, to greater charitable giving. Officials of two of the nation's leading food banks -- Second Harvest of Chicago and Focus Hope of Detroit -- also will be asked how we can increase private giving and support.

Unfortunately, some key sources of supply for private banks are drying up. Last year, more than one billion pounds of donated foods flowed to food banks from supermarkets and food companies. This year donations from supermarket companies have plummeted for two reasons. First, an increasing amount of damaged food was "salvaged" by commercial food re-packaging and re-sale companies, and as a result denied to charity. Second, grocery chains faced with tighter operating budgets improved inventory controls and cut surplus goods.

Donations to Second Harvest, coordinator of the nation's largest network of food banks, slipped 11.2 percent during the first ten months of this year. That's a drop of 23.5 million pounds of food.

One supermarket industry analyst said that in the coming year, the salvage food business could cut food bank donations by another 30 percent.

At the same time, surplus food donations to food banks through the federal commodities programs will be reduced by almost two-thirds next year.

Millions of food bank patrons may be caught in a squeeze between food companies that are reducing their operating costs, and government programs whose funding is being slashed.

Government will have to do better, both for the poor and for the taxpayers.

Today, the subcommittee will scrutinize the current line-up of federal feeding and nutrition programs with an eye to streamlining bureaucracy and freeing up dollars for the hungry poor.

Congress should look hard at the savings that might be realized by combining the current 14 U.S. Department of Agriculture feeding and nutritional programs into as few as four primary nutritional support services including (1) a basic food assistance program, (2) a supplemental assistance program for school children in an educational setting, (3) a supplemental program for pregnant women and infants at nutritional risk, and (4) an assistance program for the elderly.

Congress should make it easier for food manufacturers to provide food at the lowest cost possible to non-profit food banks. Businesses that want to take advantage of mass production opportunities for non-profit customers, and lower their costs, have been stymied by numerous and conflicting local standards.

For the elderly specifically, the National Senior Citizens Law Center makes a number of sensible, cost-effective recommendations in their testimony. I am especially interested in examining the idea of training volunteers to assist the staff of Area Agencies on Aging -- the gateway to serving the elderly. These volunteers could provide transportation, home cooking and nutritional advice, and assistance in cutting through the bureaucracy that can confound almost anybody who's not a Philadelphia lawyer.

Finally, it is absolutely critical that the Department of Agriculture get tough on waste, fraud and abuse in the food stamp program. This subcommittee has been pushing the last two Administrations for a comprehensive anti-fraud effort. The department's failure to put one in place damages the cause of feeding America's hungry.

The subcommittee is very pleased to have with us, today, Mary Ann Keeffe, USDA's deputy administrator for special nutrition programs, and Assistant Secretary for Aging Fernando Torres-Gil. These two officials directly administer most of the government's \$40 billion-per-year feeding and nutrition programs.

We also welcome two seniors from the Washington area who participate in public sponsored feeding programs. We're very glad to have Mrs. Jean Londer and Mrs. Mary Marshall with us today.

**HUNGER AND FOOD INSECURITY AMONG THE ELDERLY:
BASIC FINDINGS AND IMPLICATIONS FOR
THE FUTURE OF FOOD ASSISTANCE PROGRAMS**

Testimony Before the
Committee on Small Business,
Subcommittee on Regulation, Business Opportunities, and Technology
U.S. House of Representatives
December 21, 1994

Martha R. Burt
Program Director

Any opinions expressed herein are solely the
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**HUNGER AND FOOD INSECURITY AMONG THE ELDERLY:
BASIC FINDINGS AND IMPLICATIONS FOR FOOD ASSISTANCE PROGRAMS**

I am pleased to be here today to share with you our findings from an Urban Institute study, completed last year with support from the Philip Morris Companies, Inc., of hunger and food insecurity among American seniors. At least 2.5 million, and possibly as many as 4.9 million older Americans suffer food insecurity--figures that call into question the common perception that today's elderly are all financially secure. Our data come from a national mail survey to households with at least one elderly member, and from in-person surveys of low-income seniors in 16 communities around the United States. Existing food assistance programs for the elderly are serving many persons with extreme need, but at least twice as many equally needy seniors are not reached by these programs. Our results suggest that without Older Americans Act feeding programs, many of our most needy seniors would go hungry. Further, these programs could double in size and still not fill the most severe need. In addition, our findings will reveal an even greater need for financial relief for seniors barely above the official poverty line, through the Food Stamp Program and other mechanisms.

In my testimony today I will do the following:

- Define the concept of food insecurity;
- Describe where the data come from;
- Report the extent of food insecurity nationally and in the 16 communities that participated in our local surveys;
- Demonstrate the relationship of food insecurity to poverty and use our findings to project the number of seniors nationally who suffer food insecurity;
- Show the effects of multiple risk factors on the likelihood that an older person will experience food insecurity;
- Describe the inability of existing food assistance programs to meet the documented need;

- Discuss the implications of these findings for federal, state, and local policy.

I am also submitting with this testimony the executive summary of our final project report and a paper based using our national data analyzing who uses food assistance programs, which contain much of the detail that I must necessarily omit in the brief time I have today.

What Is Food Insecurity?

Food insecurity refers to the situation in which a person worries about whether he or she can afford to have enough to eat, and sometimes may not have enough to eat due to lack of resources. Officially, we define food insecurity as the condition in which the home does not always have adequate food, the individual cannot always afford to buy enough food, and/or the individual cannot always get to markets and food programs. In the case of the elderly, the definition also includes circumstances where the elderly person cannot prepare and gain access to the food available in the household.

To turn this definition into actual measures of food insecurity among the elderly, we asked four questions:¹

1. Have you had to choose between buying food and buying medications?
2. Have you had to choose between buying food and paying rent or utility bills?
3. Have there been days when you had no food in the house and no money or food stamps to buy food?
4. Have you skipped meals because you had no food in the house and no money or food stamps to buy food?

Each question gives the respondent the opportunity to say that this has happened in the last month, in the last two to six months, at some time earlier than six months ago,

¹ These questions were taken verbatim or adapted from several sources including: the Food Stamp Cash-Out Survey (Cohen and Young 1993), the National Survey of Nutritional Risk Among the Elderly (FRAC 1987), and the Survey of Hunger in Washington State (Governor's Task Force on Hunger 1988).

or never. If the respondent experienced the situation within the six months prior to the interview, we considered this an affirmative indicator of food insecurity. In addition, in the 16 local studies a fifth question inquired:

5. In the past six months, has anyone in your household done any of the following *because there wasn't enough food to eat, or you thought that soon you might not have enough food?*²

Where Do the Data Come From?

The data come from two quite different sources:

1. A sample of 2,734 respondents to a questionnaire mailed to a sample of households with at least one member age 65 or older. This sample was weighted using data from the March 1991 Current Population Survey to represent all persons 65 and older in the country.
2. Surveys conducted by community agencies in 16 locations, each using the same interview guide (an expanded version of the questionnaire used in the mail survey) and survey procedures developed by Urban Institute researchers. These produced 3,174 interviews with people located at a wide variety of community settings (the community sample), and 1,103 interviews with seniors located through congregate and home-delivered meals programs (the meal program sample).

The estimates from the national mail survey are probably conservative, since the respondents are on average more educated, with higher incomes, and more able and willing to complete a questionnaire they received in the mail. To compensate for this known bias, we chose communities participating in the local surveys explicitly to capture very low income populations of seniors. They are balanced by geographical considerations, urban-rural location, and race/ethnicity to assure coverage of certain groups of seniors least likely to be included by standard survey techniques. The local study results are therefore likely to be higher. Between the national mail survey and the

² Response options included actions entirely under one's own control such as serving smaller meals; appealing to one's network of family and friends to borrow food or money, or eat at friends' houses; using formal food assistance programs such as congregate meals or food stamps; and using emergency food programs such as food pantries, commodities distribution programs, or soup kitchens.

16 local studies, we believe that our results bracket the true level of hunger and food insecurity among the elderly.

How Much Food Insecurity?

Figure 1 shows the proportion of seniors experiencing food insecurity in a six-month period, as measured by each separate question and by two different combined indexes. The darkest bars in Figure 1 are the conservative estimates from our national mail sample; the other bars are from our community and meal program samples in the 16 local studies, which had much higher proportions of poor people than did the national mail sample.

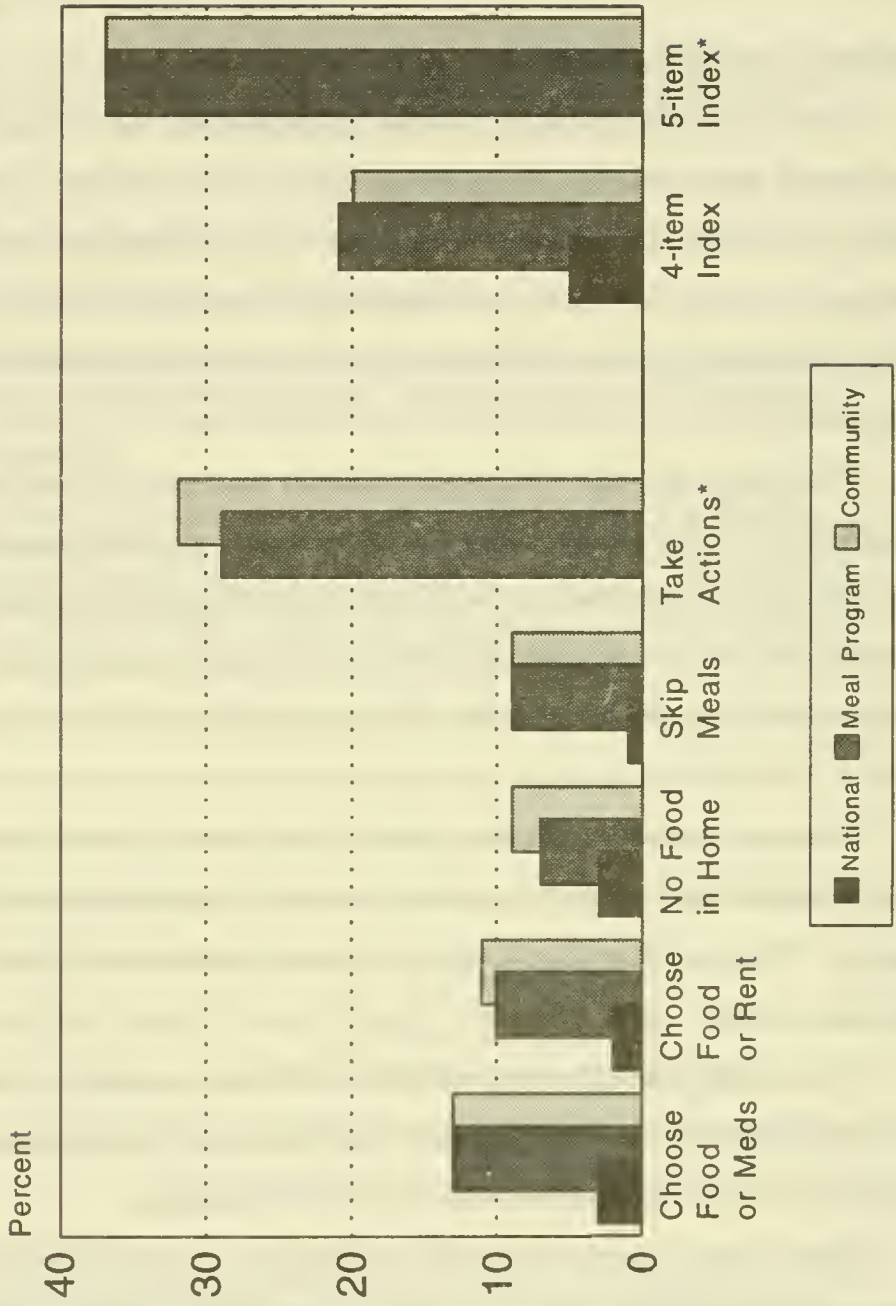
These results show that 7-13 percent of both the community and meal program samples answer "yes" to each of the first four food insecurity questions, compared to only 1-3 percent of the national mail sample. On the fifth question, about taking actions to cope with not having enough to eat, about 30 percent of both local samples say they have taken some actions in the past six months (this question was not asked on the national survey).

When the first four questions are compiled into an index, 5 percent of the national sample and 20-21 percent of the local samples are shown to experience some food insecurity. When the fifth question is added, this percentage climbs to 37 percent for both local samples.

Figure 2 shows the differences we found in the 16 local communities. The bottom of each bar reflects the level of food insecurity based only on the first four questions; the top of each bar shows what happens when we add the fifth question.

Figure 2 makes clear that the level of food insecurity among the elderly differs substantially by community, even though all communities were selected for their high

FIGURE 1
SENIORS EXPERIENCING FOOD INSECURITY IN 6-MONTH PERIOD

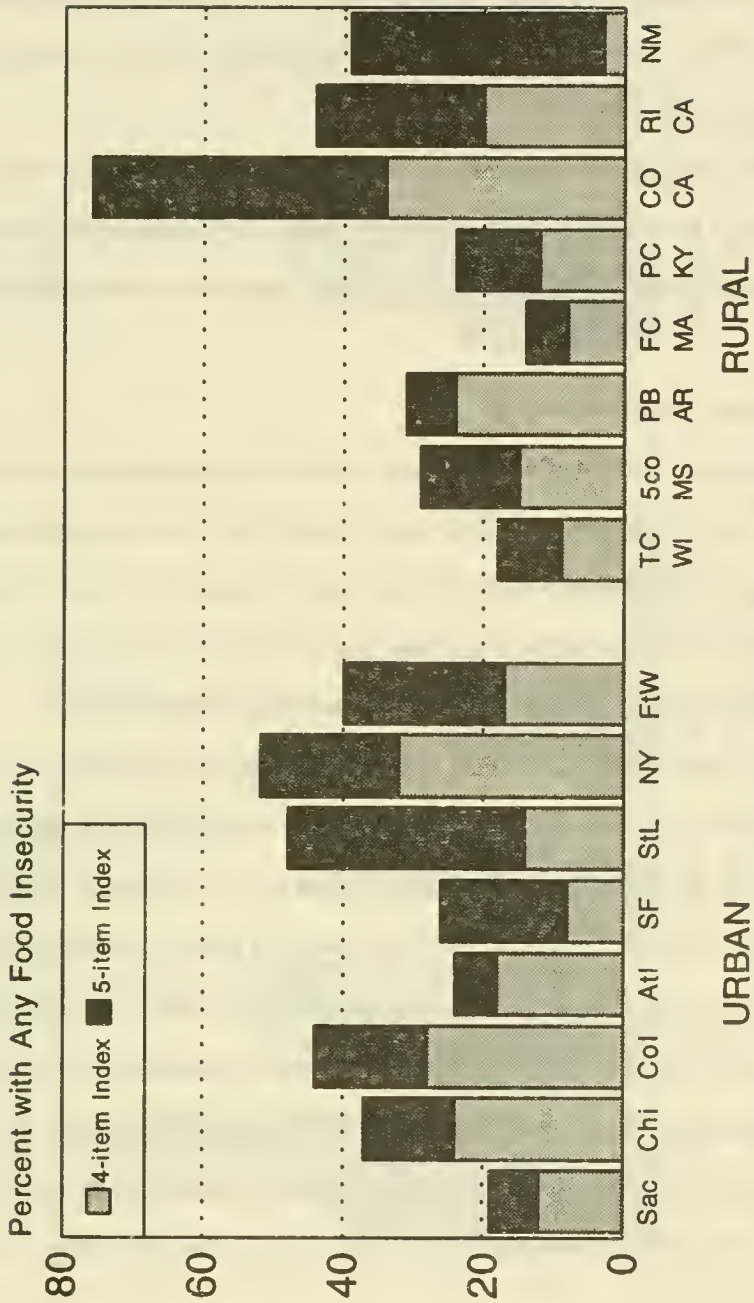


* Not Available for National Mail Sample
Source: Urban Institute, 1993.

FIGURE 2

FOOD INSECURITY BY LOCAL COMMUNITY

(Community Sample, N = 3,174)



Source: Urban Institute, 1993.

Sac=Sacramento; Chi=Chicago; Col=Colu mbus, OH; Atl=Atlanta; SF=San Francisco; StL=St. Louis; NY=New York
 FtW=Ft. Worth; TC,WI=Trempealeau Cty,WI; 5co,MS=5 delta counties in MS; PB,AR=Pine Bluff, AR; FC,MA= Franklin Cty,MA; PC,KY=Perry Cty,KY; CO,CA=Cooshelle/Indio,CA; RI, A=Riverside,CA; NM=3 pueblos in NM.

proportions of low-income elderly. The lowest levels of food insecurity are in rural, mostly white communities with official elderly poverty levels close to or below the national average (Trempealeau County, WI and Franklin County, MA), but even these levels are not really "low." One in 7 seniors in Franklin County and 2 of 11 seniors in Trempealeau county report food insecurity.

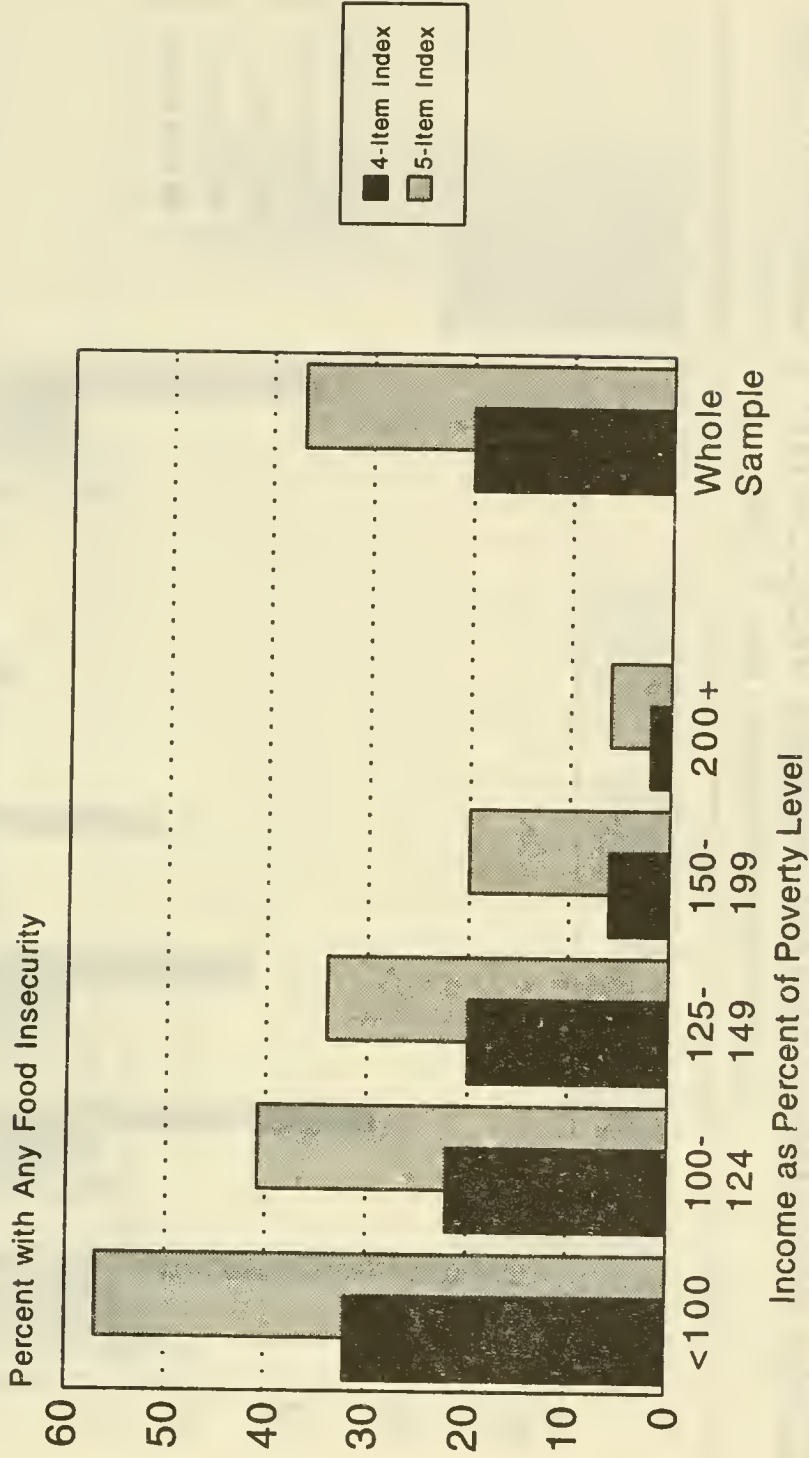
The communities reporting the most food insecurity are both urban and rural, from all regions of the country, and heavily non-white. Forty percent or more of seniors reported food insecurity in five urban and three rural survey communities.

Poverty and Food Insecurity

Since the concept of food insecurity entails the idea that lack of money or other resources (e.g., food stamps) is the reason people do not have enough food, it is not surprising to find that food insecurity and poverty go hand in hand. Figure 3 shows the relationship of income to the risk of food insecurity, classifying income by its relationship to the official poverty line for seniors in households of different sizes.

As is abundantly clear from Figure 3, the elderly households with incomes below poverty experience the most food insecurity--1 in 3 using the more conservative index of the first four questions, and almost 3 in 5 using all five questions. However, it is also abundantly clear from Figure 3 that food insecurity does not disappear when a household steps over the official poverty line. One in 5 seniors with household incomes between 100 and 150 percent of poverty report food insecurity based on the first four questions; that proportion comes close to doubling when the fifth question is included. Even seniors at 150-200 percent of poverty report significant levels of food insecurity, although much lower than those with lower incomes.

FIGURE 3
IMPACT OF INCOME ON FOOD INSECURITY
 (Community Sample, N = 3,174)



Source: Urban Institute, 1993.

FIGURE 4
INCOME AND INDIVIDUAL FOOD INSECURITY QUESTIONS
 (Community Sample, N = 3,174)

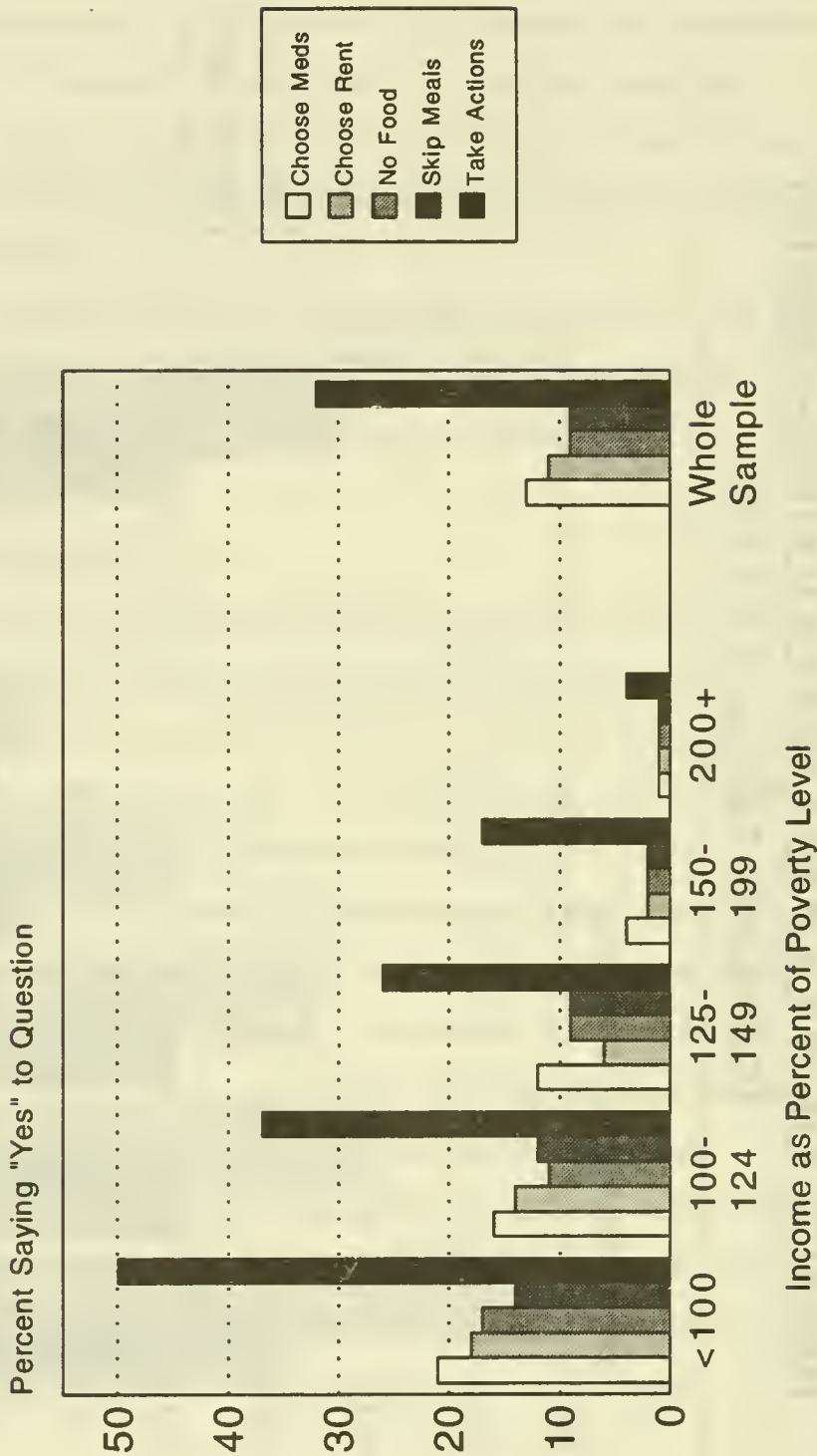
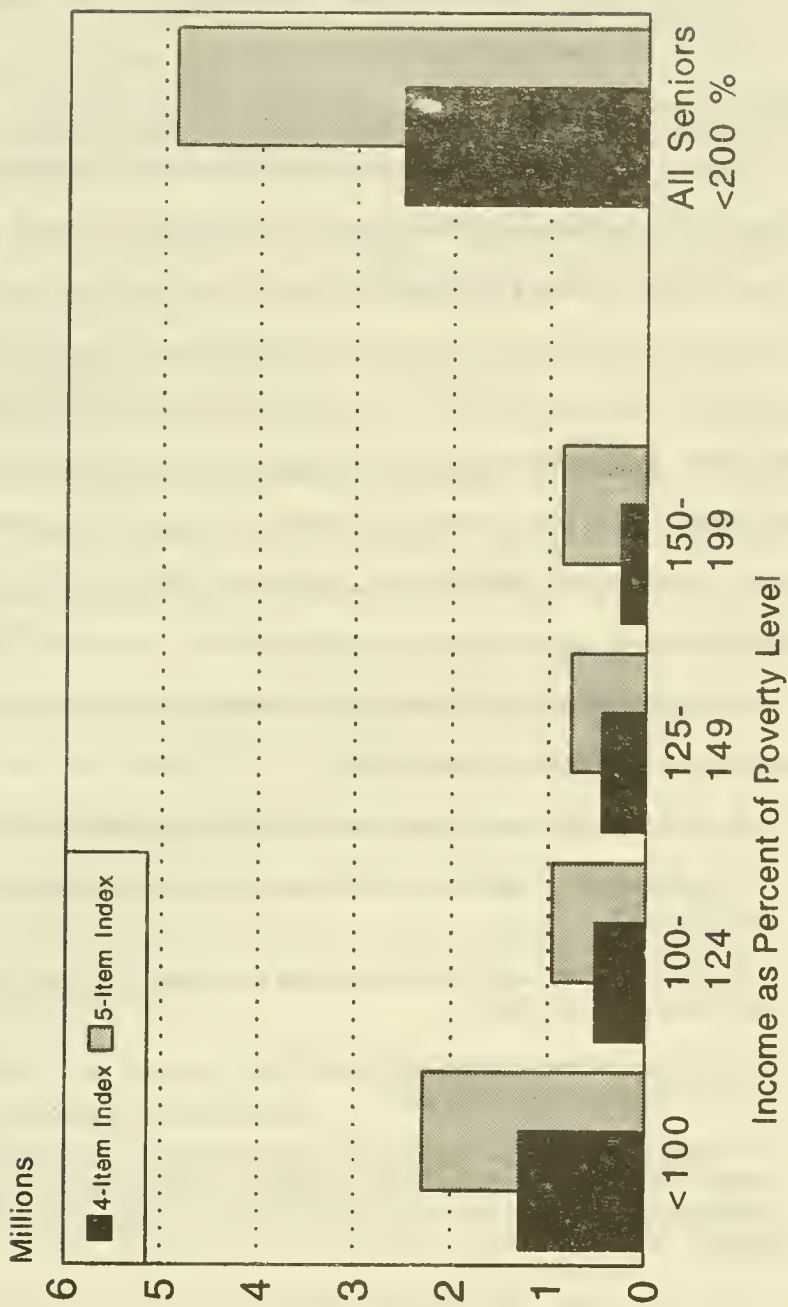


FIGURE 5
NUMBER OF SENIORS WITH INCOMES BELOW 200 PERCENT
OF POVERTY WHO REPORT ANY FOOD INSECURITY
 (National Projection)



Source: Urban Institute, 1993.

Figure 4 shows how income level affects responses to each of the five questions that make up the food insecurity indexes. It shows that income level has the most dramatic effect on the fifth question, about taking actions to avert hunger and lack of food. But it is also clear from Figure 4 that more people answer "yes" to each question as household income approaches and then sinks below the poverty line.

Figure 5 translates the local survey data for the into numbers of seniors for the whole country, considering only those seniors with household incomes below 200 percent of poverty (which includes 41.4 percent of all elderly persons). On the far right of Figure 5, we can see that using the first four questions produces a national estimate of about 2.5 million seniors with food insecurity; using all five questions raises this estimate to almost 5 million (4.9 million). The largest group of these seniors have below-poverty incomes (1.3/2.3 million), but a number almost as great have incomes between 100 and 150 percent of poverty (0.9/1.8 million). Clearly the safety net does not protect many seniors from making hard choices about whether to eat or not.

With respect to each separate question, we can use our community data to estimate that during any six-month period:

- 1.9 million seniors must choose between buying food and buying needed medicines;
- 1.3 million seniors must choose between buying food and paying the rent or utilities bills;
- 1.2 million seniors have days when there is no food in the house and no money or food stamps to buy food;
- 1.1 million seniors skip meals because there is no food in the house and no money or food stamps to buy food; and
- 4.2 million seniors take actions such as eating less, borrowing from relatives, going to senior meal programs, or using emergency food pantries or commodities distribution programs because they have no food or expect that soon they will have none.

What Other Factors Affect Food Insecurity?

Our survey gathered data about many circumstances faced by the elderly, in addition to poverty, which may affect food insecurity. Analyses reveal that the biggest contributors to risk of food insecurity are:

- **Financial factors:** Having no income from assets, paying for housing, having high utility bills, and having an income below 150 percent of poverty.
- **Health factors:** Having health conditions that interfere with eating or force changes in diets or eating patterns, and two indicators of serious health problems (taking three or more prescription drugs, and losing five or more pounds in the past six months without trying).
- **Racial/ethnic and immigration factors:** Being Hispanic, and having moved to the United States within the past five years.

Figure 6 shows what happens when elderly persons in our community sample have increasing numbers of these risk factors. To illustrate, we selected two income factors (<150 percent of poverty and no income from assets), a health factor (having health conditions that interfere with eating), and being Hispanic.

As Figure 6 shows, seniors who have none of these risk factors are extremely unlikely to experience any food insecurity (far left). As the number of risk factors increases, the odds of experiencing any food insecurity jump correspondingly. So do the odds of reporting more than one indicator of food insecurity. Seventy-nine percent of seniors for whom all four factors are present report at least some food insecurity; 60 percent report two or more indicators.

Do Existing Food Assistance Programs Help?

Two Older Americans Act programs--congregate meals and home-delivered meals--are designed specifically to alleviate hunger and food insecurity among seniors. The Food Stamp Program is designed to provide all Americans whose adjusted incomes fall at or

FIGURE 6

EFFECTS OF PREDICTIVE FACTORS ON LEVEL OF FOOD INSECURITY (FI)



Factors=Income <150% of poverty; no income from assets, Hispanic, having 1 or more health condition(s) that interferes with eating or requires changing diet or eating patterns
Source: Urban Institute, 1993.

below poverty level with coupons to assist in purchasing adequate food. How well do these programs help to reduce hunger among the elderly?

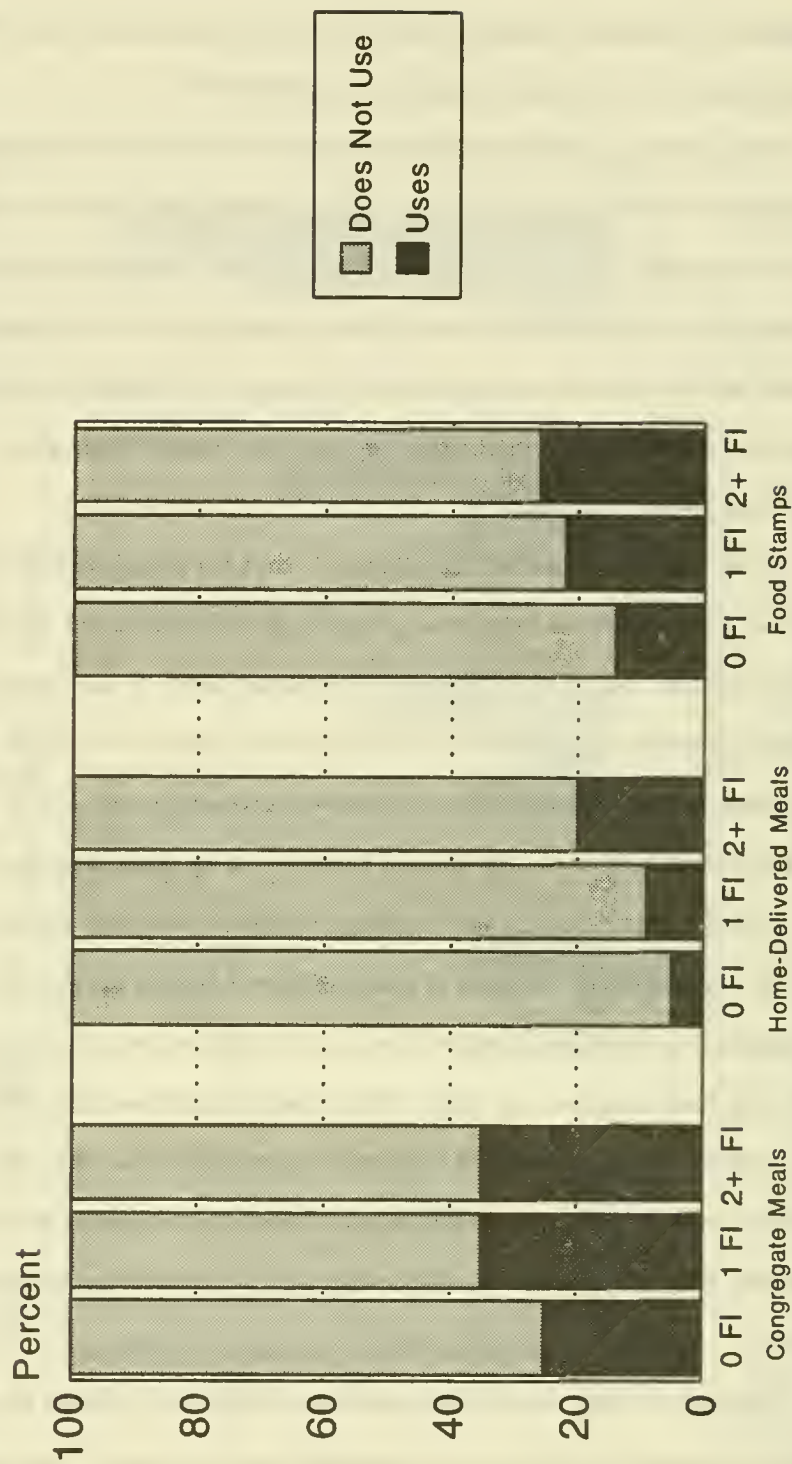
First, both our national and our community surveys show that people who use these programs report more food insecurity than people who do not use them. In the community sample, 45 percent of congregate meal users report food insecurity, compared to 35 percent of non-users; 48 percent of home-delivered meals users report food insecurity compared to 35 percent of non-users; and 55 percent of food stamp users report food insecurity, compared to 32 percent of non-users. The national data show similar patterns, but at lower levels.

These findings suggest several things: 1) that the programs definitely serve many of neediest people, as intended; 2) that program participation is not enough to completely eliminate the food insecurity experienced by program users; 3) that people seem not to use the programs unless hard-pressed by financial need; 4) that many people served by all three programs do not appear to experience food insecurity at all; and 5) that a great many people with food insecurity are not being served by these programs.

Figure 7 illustrates just how inadequate program coverage of those with food insecurity appears to be. Each set of bars in Figure 7 depicts the situation for one of the food assistance programs--congregate meals on the left, home-delivered meals in the middle, and food stamps on the right. Within each set of three bars, the one on the left shows program coverage of seniors with no food insecurity, the one in the middle shows program coverage of seniors reporting one food insecurity indicator, and the one on the right shows program coverage of seniors reporting two or more indicators of food insecurity.

The best coverage any of these programs achieve is 35 percent for seniors with one or more food insecurity indicators in congregate meals programs. This means that the

FIGURE 7
FOOD INSECURITY AND PROGRAM PARTICIPATION
 (Community Sample, N = 3174)



Source: Urban Institute, 1993.

TABLE 1

PERCENT OF ELIGIBLE ELDERLY WHO DO NOT USE FOOD PROGRAMS

(analysis of national mail survey data)

	Percent of low income elderly not using food stamps* N=754	Percent of functionally limited elderly not using home delivered meals N=708	Percent of all elderly who do not use congregate meals N=2,734	Percent of all elderly who do not use any food program N=2,734
All	86.7	95.3	89.2	71.6
Any food insecurity	73.3	90.9	82.3	63.0
3+ measures of food insecurity	68.2	94.8	66.1	47.6
Any functional limitations	81.0	95.3	86.1	75.6
3+ functional limitations	85.3	86.6	89.7	70.9
Low income*	86.7	95.9	82.8	70.3
Very low income*	81.4	95.4	82.9	65.8
Any eating-related illness	84.0	94.5	89.8	84.0
3 eating-related illnesses	76.4	95.8	86.4	80.0
Lives alone	88.1	95.7	82.6	77.5

* "Low income" includes people with incomes at approximately 145-150 percent of poverty. "Very low income" includes people with incomes at approximately 110-115 percent of poverty.

program does not serve 65 percent of seniors with food insecurity. Home-delivered meals go to only 9 percent of seniors with one indicator, and to only 20 percent of seniors with two or more indicators of food insecurity. And the Food Stamp Program, which as an entitlement is not constrained by limited appropriations but could theoretically expand to cover all in need, serves only 22 percent of those with one indicator and 26 percent of those with two or more indicators of food insecurity.

Table 1 gives specific information about program coverage from our national mail survey data, including coverage for elderly people who have specific risk factors for hunger or food insecurity.

Implications for Federal, State, and Local Policy

We have documented a high level of food insecurity among low-income older Americans. We have also shown some of the circumstances that lead to food insecurity, or are associated with it. We believe there are important implications to draw from our results.

NATIONAL POLICIES

1. Expand Eligibility Criteria for Safety Net Programs To Include More Hungry Seniors

- Seniors who are not officially poor, yet whose incomes are low enough to necessitate painful choices that may involve food insecurity, are not eligible for many benefit programs because they are not poor enough. Food stamps is one of these programs; SSI is another.
- Almost 2 million elderly with incomes up to 150 percent of the official poverty line suffer food insecurity. Americans should therefore not feel complacent that the "official" poverty rate among seniors is only 12.9 percent, lower than for the nation as a whole, when many more seniors exist on incomes only slightly higher than the official poverty line.
- THEREFORE, income cutoffs for SSI eligibility should be raised, as should those for food stamp eligibility.

2. Provide more resources for congregate and home-delivered meals programs and improve their targeting to low-income and minority seniors.

- Public programs designed explicitly to feed older Americans--congregate and home-delivered meals--are stretched to the limit right now. Even with their efforts, our data show that their current users suffer food insecurity in the same degree faced by community sample members. In our national sample, food program users faced significantly *more* food insecurity than non-users (because the income range of non-users included many more people with high incomes than in the local samples).

3. Expand federal income supports for the low-income elderly.

- However much Congress is able to increase Older Americans Act funding, and state and local governments commit resources to senior feeding programs, it is unrealistic to expect that these programs will receive adequate resources to accommodate three times the number of people they now serve, yet this is the level that our data suggest would be needed to extend coverage to all seniors with food insecurity.
- Because direct funding of feeding programs will almost certainly not be enough to cover the need, nor will program locations always accommodate many seniors, it also seems clear that only expanded income supports will truly alleviate their current high levels of food insecurity. We cannot do much to reverse the health conditions that affect food insecurity, but we should be able to do something significant about inadequate incomes as the other major cause of food insecurity.
- Health care reform needs to cover payment for prescription drugs, which will provide some financial relief and reduce the need to choose between buying food and buying needed medications.
- SSI payment levels should be increased to bring recipients' incomes at least up to the poverty line.
- Resources for the changes just recommended should come from shifting public expenditures from affluent to low-income seniors. They should not be reallocated at the expense of programs to serve poor children, whose needs are certainly as great. This can be accomplished by fully taxing Social Security payments, by lowering the income cutoff at which Social Security begins to be taxed, by expanding co-payments for Medicare for those who can afford them to equal the proportion that younger people will pay under health care reform, and by other means as appropriate.

These three recommendations assume that federal programs remain much as they are today. However, recently there have been proposals to block grant feeding programs to states and at the same time to cut the federal financial contribution to these programs. Therefore a fourth recommendation related to national policy is timely.

4. The Prospect of Federal Block Grants to States, and their Implications for Reducing Hunger among the Elderly.

- Recent policy proposals have included the possibility of block granting a wide variety of federal programs. These include nutrition and feeding programs, and possibly also a broadly-defined set of "welfare" programs that might include Supplemental Security Income. Usually these proposals suggest not simply creating block grants for these programs, but also sharply reducing funding, and in some cases eliminating the entitlement character of the program (e.g., SSI, Food Stamps).

If the issue were only block grants, with stable or perhaps increased funding, there is little reason to think that states could not do as good a job as the federal government of running the programs or distributing the funding. In the area of nutrition, many states have recognized the preventive value of these programs by supplementing federal dollars with state money (e.g., WIC).

However, the issue is not "block grants with stable funding." The issue is "spending cuts and dropping entitlements." The evidence from the early 1980s Reagan administration experience with this combination is that programs, services, and clients suffered.³ It would not, therefore, be good policy to repeat this strategy of block grants coupled with funding cuts for programs that assure needy persons of getting enough food to eat.

STATE AND LOCAL POLICIES

- State and local governments need to allocate increased resources to programs for feeding seniors at risk of food insecurity. Some states dedicate a portion of their state lottery proceeds to programs for seniors; all states and local Area Agencies on Aging have considerable flexibility in how they allocate their Older Americans Act dollars. These funds should be more extensively targeted to meet the needs of the low-income elderly.
- Local private resources:
 - Local private resources should be stimulated to become involved or expand their involvement in hunger issues. Financial support for feeding programs is one important option for this involvement. But many other options also exist, such as encouraging employees to volunteer to deliver meals to shut-ins, sponsoring

³ Several Urban Institute publications have documented this impact: Burt, Martha R. and Pittman, Karen J., *Testing the Social Safety Net: The Impact of Changes in Support Programs During the Reagan Administration*, Washington, DC: Urban Institute Press, 1985; Peterson, George E. et al., *The Reagan Block Grants: What Have We Learned?*, Washington, DC: Urban Institute Press, 1986; Peterson, George E., "Federalism and the States: An Experiment in Decentralization," Chapter 7 in Palmer, J.L. and Sawhill, I.V. (eds.), *The Reagan Record*, Cambridge, MA: Ballinger, 1984.

public education campaigns about the issues involved in poverty and hunger, using company kitchen/cafeteria facilities to prepare meals for the elderly, and other activities.

- ▶ Local private resources can supplement systematic national, state, and local feeding programs. But it must be recognized that systematic public feeding programs are efficient, effective, and widespread mechanisms for alleviating hunger and food insecurity among the elderly. Local private resources will never be able to replace these programs, and should not be expected to do so.

COMMUNITY ACTIONS

- This study has contributed information to affect local policies in the participating communities. The process of conducting these surveys has helped lead agencies to form new alliances, gain entree to neighborhoods with few or no services, design outreach programs to meet the needs discovered by the surveys, and generally highlight a problem they suspected but had no earlier means of documenting. The methods and procedures pioneered in this study are available to other agencies and other communities. They provide an approach to measure unmet need, and offer the context of the present findings for comparing and understanding local results. This method represents a significant contribution to the repertoire of local agencies seeking to improve existing services or develop new ones.
- Local survey activities in several of the participating communities demonstrate the fruitfulness of joint efforts by aging and hunger organizations and advocates. Aging organizations traditionally have not focused on hunger; hunger advocacy groups have not focused on the elderly. Both can clearly benefit from collaboration to document and ultimately to remedy situations of hunger among the elderly.

DATA FOR POLICY DECISIONS

- To learn about hunger and food insecurity among the elderly, we had to do this special survey, just as special surveys were necessary to learn parallel information about children's hunger.
- It is time for the continuing national surveys concerned with nutrition and food intake to add a set of questions on hunger and food insecurity to collect this information routinely. The most recent National Health and Nutrition Examination Survey has already modified its most recent wave to include some such questions, but these data are not yet available, and take so long to be published (at least 5 years after data collection) that they lose some of their usefulness. The USDA's National Food Consumption Survey and the Continuing Survey of Food Intake of Individuals has not provided adequate data in this area. However, USDA is now sponsoring a supplement to the Current Population Survey that will gather hunger and food insecurity data on a nationally representative sample for the first time in

April 1995, with expectations that the supplement will be used annually thereafter. This is exactly the sort of data we need to fully understand the extent of hunger in this country and begin to develop strategies to eliminate it.

This study was supported by a grant from the Philip Morris Companies, Inc. For the full report of this study's findings, see Martha R. Burt, Hunger Among the Elderly: Local and National Comparisons, Washington, DC: Urban Institute, 1993 and Rebecca L. Clark, Barbara E. Cohen, Martha R. Burt, and Margaret M. Schulte, "Who Uses Food Assistance Programs? Factors Associated with Use Among the Elderly," Washington, DC: The Urban Institute, revised December 16, 1994. Not submitted here but available from the Urban Institute are local reports for each of the sixteen communities participating in the community surveys and two additional reports based on national mail survey data:

Burt, Martha R. and Rebecca L. Clark. 1993. "Factors Associated with Food Insecurity Among the Elderly," Washington, DC: The Urban Institute, July 14, 1993.

Cohen, Barbara E., Martha R. Burt, and Margaret M. Schulte. "Hunger and Food Insecurity Among the Elderly," Washington, DC: The Urban Institute, February 23, 1993.

**HUNGER AMONG THE ELDERLY:
LOCAL AND NATIONAL COMPARISONS**

EXECUTIVE SUMMARY

**Final Report of a National Study
on the Extent and Nature of
Food Insecurity among American Seniors**

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November 1, 1993

The research reported here was supported by a grant from the Philip Morris Companies Inc. Opinions expressed in this paper are those of the authors and do not necessarily reflect the opinions of the project sponsor, the Urban Institute, or any of its funders or trustees.

HUNGER AMONG THE ELDERLY: LOCAL AND NATIONAL COMPARISONS

EXECUTIVE SUMMARY

"I have just been doing without medical care and medications; no doctor, drugs too high." -- Comment by respondent in San Francisco, explaining why she said she had not had to make the choice between buying food and buying medicines in the past six months.

National projections from local surveys indicate that more than 2.5 million seniors say "yes" when asked if they have experienced at least one of four indicators of food deprivation in the past six months. Add a fifth question about taking actions because one has no food in the house and no money to buy it, and the number goes up to almost 5 million.

This study of hunger and food insecurity among the elderly was done because we suspected that a significant, yet undocumented, problem exists. No major national surveys ask specifically about hunger and food insecurity, even when they ask very specific questions about nutritional deficits or gather detailed information about short-term food intake. Several recent local efforts to address the issue of food insecurity (FRAC 1987; Governor's Task Force on Hunger 1988) discovered quite high levels among low-income seniors, pointing to the importance of documenting the extent of the problem nationally. Therefore this study has four goals:

- Determine how many American seniors experience food insecurity;
- Learn about the relationship between income level and food insecurity;
- Learn what other factors affect food insecurity; and
- Learn whether food assistance programs meet the needs of seniors who face food insecurity.

What Is Food Insecurity?

Food security is the "condition under which an individual can obtain a culturally acceptable, nutritionally adequate diet, through non-emergency food channels, at all times." Food security depends on availability, affordability, and accessibility of food. An individual experiences *food insecurity* when they worry about getting enough to eat--when the home does not always have adequate food, when the individual cannot always afford to buy enough food, and/or when the individual cannot always get to markets and food programs. In the case of the elderly, the definition also includes circumstances where the elderly person cannot prepare and gain access to the food available in the household.

How the Study Was Done

The study includes two components: 1) a national survey using a mailed questionnaire to collect statistically representative national data; and 2) surveys of selected local communities to gather data from low-income seniors who might not be reached by or willing to respond to a mailed questionnaire.

The National Survey. The national mail survey was sent to a random sample of 3,500 households with at least one member 65 or older, from which we received 2,734 responses (78 percent response rate). We weighted the sample using data from the March 1991 Current Population Survey to make it representative of all Americans 65 and older.

The Local Surveys. Sixteen communities participated in the local surveys. All areas surveyed were chosen because of their high concentrations of low-income elderly, and to achieve balance by geographical region, urban-rural status, and the racial/ethnic makeup of their residents. Local agencies in each community carried out these surveys after attending a common training session, following a standard design provided by the Urban Institute. The lead agency in each local community obtained two different

samples--one that was representative of all elderly in the neighborhoods they targeted, known as the "community sample," and one that was representative of all seniors who used meal programs in those same neighborhoods, known as the "meal program sample." The combined community sample includes 3,174 interviews; the meal program sample includes 1,103 interviews.

The interview format of the local surveys was a revised and expanded version of the national mail questionnaire. Expansions covered topics of interest to local agencies that had not been included on the national survey such as reasons for not using food assistance programs.

How the National, Community, and Meal Program Samples Compare

Compared to the national sample, local respondents from both the meal program and the community samples are:

- Older;
- Less likely to be married and living with a spouse;
- Less well-educated;
- More likely to be renters;
- More likely to have restrictions on their ability to perform daily tasks;
- More ill; and
- More isolated.

In addition, they:

- Have lower incomes;
- Have fewer income sources; and
- Are more likely to pay for housing.

Comparing two local samples, the meal program sample is more likely to be older and to live alone and less likely to be currently married. This sample is also more likely to be urban, but this occurs because, in general, the rural areas selected for study either had no meal programs or ones that served very few people. However, the most striking finding is how similar the community and meal program samples are on all but these few variables. Most notably, the two local samples are virtually identical on levels of impairment, isolation and income and expenses.

How We Measured Food Insecurity

We used five questions to measure food insecurity. The first four were included in all three samples; the fifth question was added for the two local surveys only. The questions are:

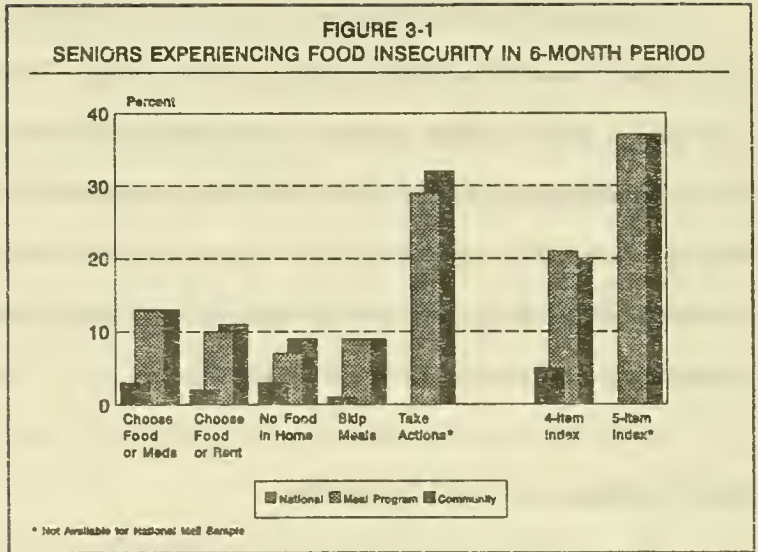
1. Have there been days when you had no food in the house and no money or food stamps to buy food?
2. Have you had to choose between buying food and buying medications?
3. Have you had to choose between buying food and paying rent or utility bills?
4. Have you skipped meals because you had no food in the house and no money or food stamps to buy food?
5. In the past six months, has anyone in your household done any of the following because there wasn't enough food to eat, or you thought that soon you might not have enough food?

How Many Elderly Americans Experience Food Insecurity?

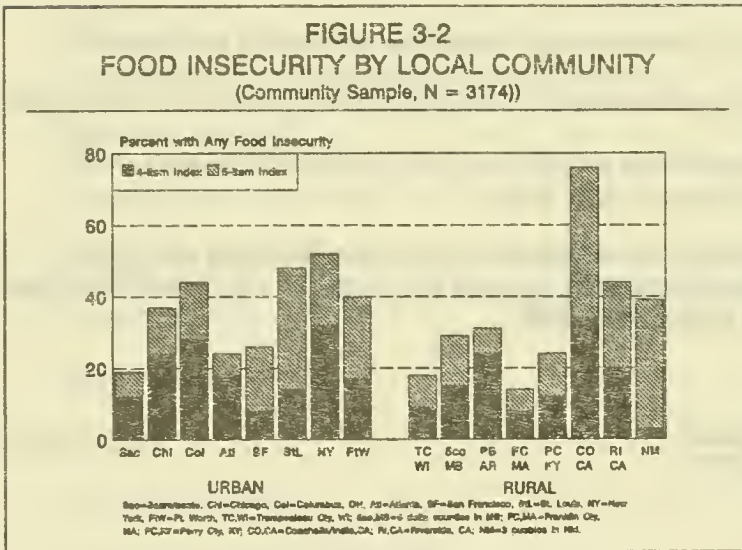
Our findings show:

- Urban/rural location makes no difference in the rate of food insecurity.
- Race/ethnicity makes a big difference; Hispanics have the highest levels of food insecurity, followed by blacks and elderly of other races. Whites have the lowest levels.

- 37 percent of both local samples experience food insecurity, as measured by our five-item index (Figure 3-1).
- 20 percent of the community sample and 21 percent of the meal program sample experience food insecurity, as measured by our four-item index (Figure 3-1).



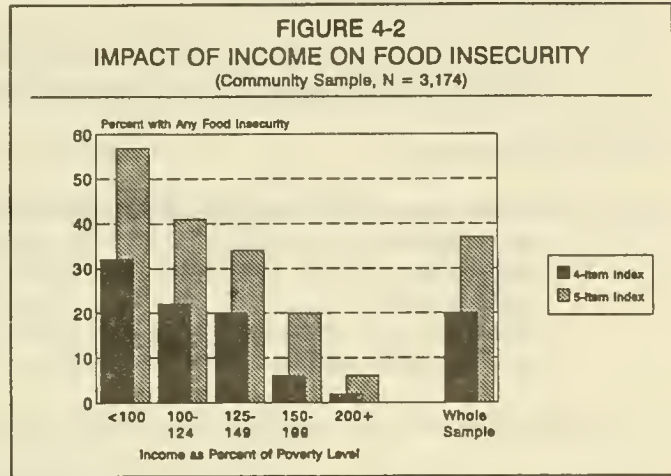
- In contrast, only 5 percent of all national sample respondents, but 16 percent of low-income respondents to the national survey, report food insecurity on the same four-item measure (Figure 3-1).



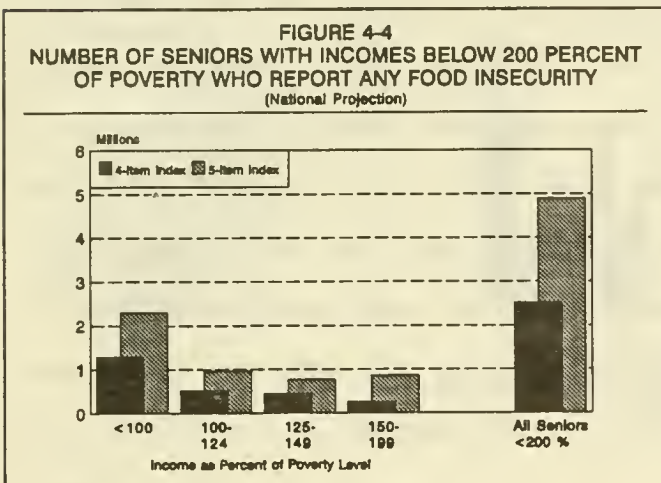
- Seniors in the 16 different communities show quite varied rates of food insecurity, from a low of about 1 in 10 to highs of 40 percent up to one community with 76 percent reporting food insecurity on the five-item index. With the four-item index, rates range from 2 to 3 percent up to 34-38 percent (Figure 3 to 2).

- Other indicators of food deprivation in these samples such as eating fewer meals a day, eating a less balanced diet, having days when one does not feel like eating, and saying one sometimes or often does not get enough to eat, support the impression that these populations definitely face difficulties with food insecurity.

- Seniors with below-poverty incomes suffer the greatest amount of food insecurity. But those with incomes up to at least 150 percent of poverty still report considerable food insecurity (Figure 4-2).



- Between 2.5 million (8 percent) and 4.9 million (16 percent) of elderly Americans experience food insecurity in a six-month period. The lower estimate is probably the lower bound of seniors facing problems with getting enough food (Figure 4-4).
- The higher estimate occurs when seniors are asked whether they have taken any actions in the past six months to handle situations of not having enough food. Approximately three times as many seniors say "yes" to this question as respond affirmatively to any one of the other four questions about food insecurity (Figure 4-4, five-item index).

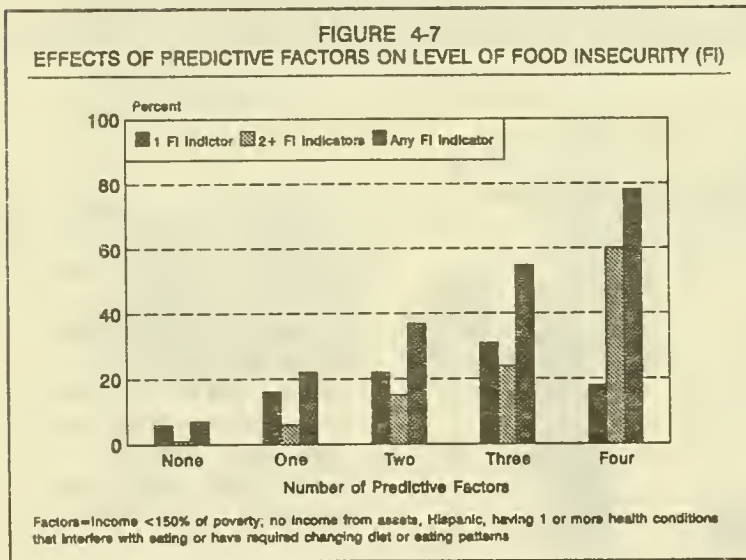


- Even the lower of these new estimates is clearly substantially higher than our earlier estimate of 1.5 million seniors, based on our national mail survey. We knew at the time that this figure was likely to be very conservative, due to the nature of a mail survey.

Circumstances Associated with High Levels of Food Insecurity

Factors with the strongest causal impact on food insecurity are:

- Income and other financial factors:
 - Having an income less than 150 percent of poverty
 - Not having any income from assets (investments, private pension)
- Health conditions:
 - Having one or more health condition that interferes with eating or make one change one's diet or eating patterns;
 - Taking three or more prescription medications (an indicator of multiple health problems);
 - Losing five or more pounds in the past six months without trying to do so (an indicator of serious health problems).
- Race/ethnicity:
 - Not being white, but most especially being Hispanic. Again, racial/ethnic group membership is certainly related to income and also to health, but remains significant even after these factors are considered.



- The cumulative effect of these factors can be very great. One in 12 persons with no factors report any food insecurity, compared with almost 3 in 5 of those with three factors and 4 in 5 of those with four factors (Figure 4-7).

Circumstances that may be used by service agencies to screen for food insecurity, even if they are not causal, include:

- ▶ Being younger than 65 and disabled;
- ▶ Being never-married, separated, or divorced;
- ▶ Relying solely on SSI, or on SSI plus Social Security;
- ▶ Receiving disability-related income;
- ▶ Being a renter, and more particularly living in a mobile home, hotel, board and care, SRO, or similar location;
- ▶ Paying anything for housing;
- ▶ Having multiple restrictions on one's ability to perform daily tasks;
- ▶ Living alone and not seeing other people more than once a week;
- ▶ Not eating two or more servings from at least three of the four food groups on an average day;
- ▶ Not living either alone or with a spouse. Elderly persons living with their children or living with non-relatives or in board and care, hotel, or other accommodations (not including nursing homes) are significantly more likely to experience food insecurity than those living either alone or with a spouse.

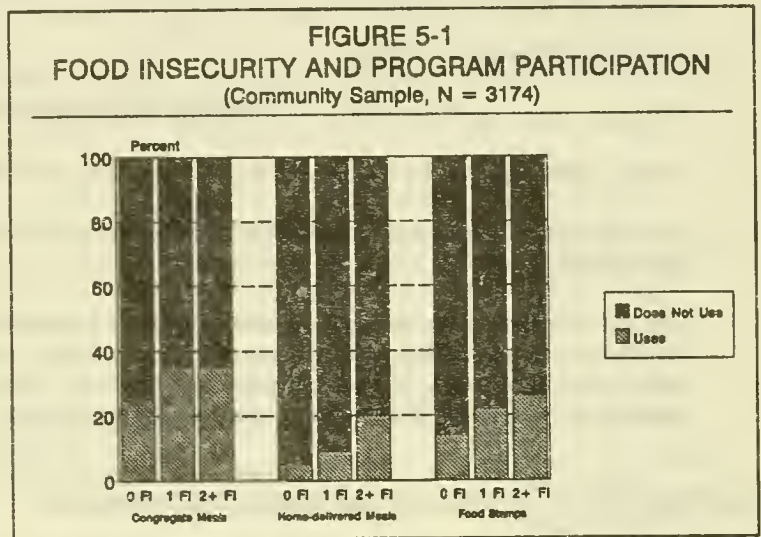
Food Insecurity and Use of Food Assistance Programs

We examined the use of food assistance programs by the elderly in the community sample, and the ability of these programs to "cover" seniors with food insecurity. The programs examined include two Older Americans Act programs--congregate and home-delivered meals--whose purpose is to improve the nutrition of the elderly, and the Food Stamp Program, which is available to all Americans who qualify on the basis of income. If these programs are the primary line of defense protecting seniors from hunger, how well are they doing? This is not a question of how well they feed the people who use them. Rather, at issue is how many of the people who need the programs are actually able to use them.

We found that for all three programs, elderly participants have higher rates of food insecurity than non-participants. We interpret this finding to mean that these programs do serve many seniors with the highest need.

We also found, however, that most seniors with food insecurity do not use these programs. They may not be poor enough to qualify for food stamps. Or they may not know about, feel comfortable going to, or be able to get to local congregate meal programs, or there may be no programs in their area. Or they may not be disabled

enough to qualify for home-delivered meals. Whatever the reason, these three core food assistance programs leave at least two-thirds of needy seniors uncovered.



Implications

This study documents a high level of food insecurity among low-income older Americans. It also shows some of the circumstances that lead to food insecurity, or are associated with it. We believe there are six important implications to draw from our results.

1. *Much food insecurity is found well above the official poverty line, involving high proportions of elderly up to at least 150 percent of poverty. We should therefore not feel complacent that the "official" poverty rate among seniors is only 12.9 percent, lower than for the nation as a whole, when many more than this number exist on incomes only slightly higher.*

2. *Seniors who are not officially poor, yet whose incomes are low enough to necessitate painful choices that may involve food insecurity, are not eligible for many benefit programs because they are not poor enough. Food stamps is one of these; SSI is another. The social safety net does not catch many of the people who have trouble making ends meet.*
3. *Public programs designed explicitly to feed older Americans--congregate and home-delivered meals--are stretched to the limit right now. And even with their efforts, our data show that their current users suffer food insecurity in the same degree faced by community sample members. In our national sample, food program users faced significantly more food insecurity than non-users (because the income range of non-users included many more people with high incomes than in the local samples). It is important to augment the resources of these programs so they can serve more people. In addition to increased funding, Older Americans Act programs should improve their targeting to low-income and minority populations. They should also make an increased effort to provide meals that are compatible with the varying ethnic and cultural eating habits of populations in greatest need.*
4. *However much Congress is able to increase Older Americans Act funding, it is unrealistic to expect that these programs will receive the resources for expansion to accommodate three times the number of people they now serve, yet this is the level that our data suggest would be needed to extend coverage to all seniors with food insecurity.*
5. *Therefore it seems important for state and local governments to allocate increased resources to feeding programs for seniors at risk of food insecurity. Some states dedicate a portion of their state lottery proceeds to programs for seniors; all states and local Area Agencies on Aging have considerable flexibility in how they allocate their Older Americans Act dollars. These funds should be more extensively targeted to meet the needs of the low-income elderly.*
6. *Because direct funding of feeding programs will almost certainly not be enough to cover the need, nor will program locations always accommodate many seniors, it also seems clear that only expanded income supports for the low-income elderly will truly alleviate their current high levels of food insecurity. If health care reform efforts are passed and include payment for prescription drugs, this will provide some financial relief and reduce the need to choose between buying food and buying needed medications. Shifting public resources from affluent to low-income seniors is another approach that could be tried. A third option is to increase SSI levels to bring recipients' incomes at least up to the poverty line. We cannot do much to reverse the health conditions that affect food insecurity, but we should be able to do something significant about the other major cause of food insecurity--inadequate incomes. However, any increased resources that needy seniors receive should not be allocated at the expense of programs to serve poor children, whose needs are certainly as great.*

In addition to these implications for national policy, this study has contributed information to affect local policies in the participating communities. The process of

conducting these surveys has helped lead agencies to form new alliances, gain entree to neighborhoods with few or no services, design outreach programs to meet the needs discovered by the surveys, and generally highlight a problem they suspected but had no earlier means of documenting. The methods and procedures pioneered in this study are available to other agencies and other communities. They provide an approach to measure unmet need, and offer the context of the present findings for comparing and understanding local results. This method represents a significant contribution to the repertoire of local agencies seeking to improve existing services or develop new ones.

Further, local survey activities in several of the participating communities demonstrate the fruitfulness of joint efforts by aging and hunger organizations and advocates. Aging organizations traditionally have not focused on hunger; hunger advocacy groups have not focused on the elderly. Both can clearly benefit from collaboration to document and ultimately to remedy situations of hunger among the elderly.

**WHO USES FOOD ASSISTANCE PROGRAMS?:
FACTORS ASSOCIATED WITH USE AMONG THE ELDERLY**

By

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20 December 1994

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WHO USES FOOD ASSISTANCE PROGRAMS?: FACTORS ASSOCIATED WITH USE AMONG THE ELDERLY

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INTRODUCTION

Between December 1991 and June 1992, more than 1.5 million elderly Americans had at least one day when they were not sure whether they could get enough food (Burt et al. 1994). This group, representing 4.9 percent of Americans aged 65 or older, faced at least one of the following situations: they had no food in the house and no resources to buy food; they had to choose between buying food and buying medications; they had to choose between buying food and paying for rent or utilities; or they skipped meals because they had no food and no money or food stamps to buy food. These four situations measure *food insecurity*. People experience *food insecurity* when their home sometimes lacks adequate food, when they cannot always afford to buy enough food, or when they cannot always get to markets or food programs.¹

Three federal food assistance programs help elderly Americans avoid food insecurity and the hunger often associated with it—food stamps, designed to help all low-income Americans, and home-delivered and congregate meals, designed specifically for the elderly. In this paper, we investigate the factors associated with using each of these programs. Doyle and Beebout (1988), one of the few causal analyses of this topic, find that living alone and receipt of Supplemental Security Income (SSI) both increase use of food stamps among eligible elderly. Food Research and Action Center (1987) and Ponza and Wray (1990) provide descriptive statistics on food stamp program participation and congregate and home-delivered meal participation, respectively.

METHODS

The data used in this research were collected through a mail survey sent in June 1992 to a sample of 3,500 households, each containing at least one person aged 65 older. With a 78 percent response rate, the final sample includes 2,734 individuals, weighted to represent the 31.2 million individuals aged 65 or older. (The methodology and sampling approach are explained in Appendix A.)

Variable definitions and basic statistics

Table 1 describes how we identified participants of the three food assistance programs. As the table shows, 4.4 percent of the sample uses food stamps, 1.5 percent currently receive home-delivered meals, and 10.8 percent currently use congregate meals.²

[Table 1 about here]

In this study, we examine how demographic characteristics, economic well-being, functional limitations, and the existence of health problems affect use of food assistance programs. The demographic characteristics we consider are age, race, sex, living arrangements, and whether an individual lives in a metropolitan area. The economic well-being measures are income relative to household size and whether anyone in the household receives welfare. The measures of functional limitation indicate whether the individual can leave home, drive a car, eat, shop, or prepare food for him- or herself without help from others. The health indicators are whether the individual has an illness or condition that interferes with eating, has an illness or condition that has caused a change in diet, has a tooth or mouth problem making it hard to eat, and whether the individual has had two or more alcoholic drinks in the day before the survey.

We include income relative to needs, living arrangements (specifically, living alone rather than living with others), race (being black versus being white), measures of functional

limitations, food-related health problems, and use of alcohol because they have been shown to be related to either food insecurity (Burt et al. 1994) or to not eating for one or more days among seniors in food assistance programs (Frongillo et al. 1992), or because they have been used as measures of inadequate nutrition among seniors (Food Research and Action Center 1987).

We include age for two reasons, because it may affect both ability to get and prepare food in ways not captured by other variables in our model, and because it may affect an individual's ability to apply for (or, in the case of congregate meals, get to) food programs. Detailed living arrangements are included so we can examine whether the particular types of "others" in the household affect program use. In general, we expect that seniors living with others will be less likely to use most food assistance programs because other household members can pool resources, get and prepare food for impaired seniors, and provide companionship. On the other hand, the presence of other household members may in some circumstances increase program use because these other household members may help seniors learn about and apply for programs. We include receipt of welfare because individuals receiving welfare are categorically eligible for food stamps. However, welfare recipients may be more likely to use other government assistance programs than non-recipients. Welfare recipients may have fewer assets (other than income) than non-recipients, and welfare-case workers may help their clients find out about and apply for other programs.

[Table 2 about here]

Table 2 describes the variables and the overall sample. The coding of the income and race variables require explanation.

"Very low income" refers to individuals whose household income relative to their household size places them below or slightly above the poverty line (see Table 3). Ideally,

we would make the break at the federal poverty line. We cannot, however, because the survey only records income in \$2,500 increments. As a result, our low income category includes some people who are just above the poverty line. In our sample, 17.9 percent are "very low income." This compares with 12.2 percent of Americans aged 65 or older at or below the poverty line in 1990. "Moderately low income" refers to individuals whose household income is no more than \$2,500 above the low-income cut-off for their household size.

[Table 3 about here]

We include three racial categories in the analysis: whites who are not Hispanic; blacks who are not Hispanic; and all others, whom we refer to as "people of other races." While we present results for people of other races, we often do not discuss them because they are an extremely small group and cover a wide range of dissimilar populations. We include the "people of other races" category so that black-white comparisons are not distorted, as they could be if people of other races were combined with either blacks or whites.

Table 4 shows the relationship between food insecurity and use of each food-assistance program. As expected, individuals experiencing food insecurity are more likely to use food-assistance programs than those not experiencing food insecurity. Food insecurity is not necessarily a good predictor of program use, however. Although food insecurity may lead people to seek out food assistance, receipt of that assistance alleviates food insecurity.

[Table 4 about here]

Description of programs and definitions of eligibility

In the following paragraphs, we describe each food assistance program and, for each program, how we restrict our sample to those eligible to participate.

Food Stamps. The Food Stamp Program provides recipients with coupons redeemable

for food at authorized stores. Although the program is not specifically targeted at the elderly population, special provisions allow elderly individuals to apply over the telephone or in an in-home interview and to designate representatives to pick up their coupons. Food stamp recipients can also participate in other food assistance programs.

Eligibility for food stamps is determined by net income, assets, enrollment in employment and training programs (for certain groups), and whether a food stamp unit falls in certain automatically eligible or ineligible categories (Committee on Ways and Means, U.S. House of Representatives, 1992:1617-1623). Elderly households—those containing at least one person aged 60 or older—are eligible if their monthly net income is no more than 100 percent of the federal poverty line and their counted liquid assets are worth no more than \$3,000.³ The elderly are not required to participate in employment and training activities. We use very low and moderately low income to define food stamp eligibility because we do not have most of the other information in sufficient detail for eligibility determination. Twenty-eight percent of our sample, 754 individuals, are in very or moderately low-income households.⁴

Thirteen percent of low-income and 19 percent of very-low-income individuals in our sample use food stamps. Doyle and Beebout (1988) estimate that 35 percent of those 60 or older who were eligible received food stamps in August 1984. The Food Research and Action Center (1987) estimates that 25 percent of low-income Americans aged 60 and older received food stamps. Two factors probably explain why these estimates are higher than ours. First, these studies include individuals aged 60-64, which we do not. As we show below, overall food stamp use declines with age after age 65, so it is likely that food stamp use for those 60-64 is higher than for older individuals. Second, higher proportions of the other study populations were eligible for and in need of food stamps than the population from

which our sample is drawn.

Congregate Meals and Home-Delivered Meals. The congregate and home-delivered meal programs provide prepared meals for Americans at least 60 years old, the former in group settings and the latter in people's homes.⁵ Means testing is not permitted, although the programs are targeted at persons with the greatest economic and social need.⁶ Individual programs are allowed to develop more restrictive criteria.

We use the whole sample to examine factors associated with using congregate meal programs. Everyone in our sample may use congregate meals because eligibility extends to all Americans 60 and older.

Priority for receiving home-delivered meals is given to elderly persons who are "frail, homebound by reason of illness or incapacitating disability, or otherwise isolated..." (U.S. Congress, 1988:33773). Since home-delivered meals are meant primarily for the impaired homebound elderly, the subsample we use to examine participation in home-delivered meals consists of all elderly sample members who have one or more functional limitations. Twenty-six percent of our sample, 708 individuals, have at least one functional disability; 4.7 percent of this group report receiving home-delivered meals.⁷

Statistical technique

Our basic statistical technique is logistic regression, which is the appropriate approach for analysis of outcome variables with only two values—for example, using food stamps versus not using food stamps (Hosmer and Lemeshow 1989). For each categorical independent variable, one value is chosen as the reference category.⁸ If the difference between a given category and the reference category is statistically significant, we can say that people with this characteristics are more (or less) likely to use food stamps (or home-delivered meals or congregate meals) than people in the reference category.

We report results from both bivariate and multivariate analysis. In bivariate analysis, we test whether a single factor is related to whether an individual uses a food assistance program. In multivariate analysis, we examine the effects of several variables simultaneously on use of food assistance programs. Bivariate analysis is not sufficient because variables that are not significant at the bivariate level may emerge as significant when other variables are taken into account and variables that are significant at the bivariate level may lose their significance when other variables are taken into account.

USE OF FOOD STAMPS

Bivariate Analysis

In the bivariate analysis, the following characteristics increase the probability that a presumptively eligible individual uses food stamps (see Table 5):

- Being 65-74 years old, compared with being 85 years old or older;
- Being black, compared with being white;
- Living with a child, compared with living with a spouse;
- Having a very low income, compared with having a moderately low income;
- Being on welfare;
- Being unable to drive;
- Having a condition that interferes with eating;
- Having a condition that has caused a change in diet.

In the bivariate analysis, the following factors did not affect use of food stamps: sex, living in a metropolitan area, having a functional limitation other than not being able to drive, having a tooth or mouth problem, and the number of alcoholic drinks consumed in the previous day. In addition, individuals living with other relatives, with nonrelatives, or alone are not significantly more or less likely than those living with a spouse to use food stamps.

[Table 5 about here]

Multivariate Analysis

The results of the multivariate models are shown in Table 6. The model shown in the first column of Table 6 includes all variables significantly related to use of food stamps at the bivariate level. (Preliminary analysis including all possible predictors, not shown, indicates that only those variables significant at the bivariate level are significant in multinomial analysis.) Living arrangements and the two eating-related health problems are not significant in this model and are therefore not included in the model shown in the second column of Table 6. Although being black is insignificant ($p < 0.0766$) in the first model, it is included in the second model because it emerges as significant when interaction terms are included (in the third model). The model shown in the final column in Table 6 includes interactions between being black and two other variables, being aged 75-84 and having a very low income. These are the only interactions that are statistically significant in the food stamp participation analysis.

[Table 6 about here]

Five factors affect use of food stamps: race, having very low income relative to household size, being on welfare, age, and being unable to drive.

Even when racial differences in age, income level relative to household size, welfare use, and functional limitations are taken into account, blacks are significantly more likely to use food stamps than whites and people of other races. Also, the pattern of food stamp use for blacks differs significantly from the pattern of use for whites and people of other races. For whites and people of other races, food stamp use is relatively high for those 65-74 years old, moderate for those 75-84 years old, and relatively low for those 85 years old or older. For blacks, on the other hand, use of food stamps does not decline until age 85. Furthermore,

for whites and people of other races, individuals with very low incomes are significantly more likely to use food stamps than those with only moderately low incomes. For blacks, food stamp use for very low-income individuals and moderately low-income individuals does not differ significantly.

Even when other characteristics such as income relative to household size are taken into account, welfare recipients are significantly more likely to receive food stamps than nonrecipients. Finally, individuals who cannot drive are significantly more likely to use food stamps than individuals who can drive.

Two eating-related health problems—having a condition interfering with eating and having a health problem that has caused a change in diet—appeared to affect food stamp use in the bivariate analysis, but not the multivariate analysis. Subsidiary analysis (shown in Appendix B, Section 1) shows that relatively few individuals with these health problems are able to drive and it is the inability to drive, rather than the health problems themselves, that account for the relatively low probability of using food stamps.

Family structure also appeared to affect use of food stamps in the bivariate analysis, but not the multivariate analysis. Subsidiary analysis, shown in Appendix B, Section 2, shows that use of food stamps is high for seniors living with their children because these families are substantially more likely to receive welfare than other family types.

USE OF HOME-DELIVERED MEALS

Bivariate Analysis

In the bivariate analysis, the following characteristics increase the probability that an individual receives home-delivered meals (see Table 7):

- Being 75 years old or older, compared with being under 75;
- Being black or of another race, compared with being white;

- Living with a child, with nonrelatives, or alone, compared with living with one's spouse;
- Being unable to leave home without help;
- Being unable to shop without help;
- Being unable to prepare food without help;
- Having a condition that has caused a change in diet;
- Having tooth or mouth problems.

The following characteristics do not appear to affect whether an individual receives home-delivered meals: sex, whether the individual lives in a metropolitan area, income, whether anyone in the individual's family receives welfare, whether the individual can dine, eat, or shop without help, whether the individual has a condition interfering with eating, and the number of alcoholic drinks the individual consumed in the previous day. In addition, because home-delivered meals are aimed at isolated individuals, we investigated whether, among those living alone, individuals who had no one to help them if they were ill were more likely to receive home-delivered meals. They are not.

Receipt of home-delivered meals also increases as the number of functional limitations increases. We use number of functional limitations, rather than the individual functional limitations, in the multivariate analysis.

[Table 7 about here]

Multivariate Analysis

The results of the multivariate analysis are shown in Table 8. The first column shows the model including all variables significant at the bivariate level. The second model drops age, which is not significant in the first model. In additional analysis (not shown), we examine the effects of adding, one at a time, all other independent variables to the model in

Column 2. Of these, only being female significantly affects receipt of home-delivered meals (see Column 3). There are no statistically significant interactions in the home-delivered meals analysis.

Four factors affect whether an individual receives home-delivered meals: number of functional limitations, eating-related health problems, living arrangements, and sex. The major multivariate findings are as follows.

[Table 8 about here]

Individuals with three or more functional limitations are significantly more likely than those with fewer functional limitations to receive home-delivered meals. Receipt of home-delivered meals for those with two functional limitations does not differ significantly from use by those with one functional limitation, although this difference approaches significance ($p < 0.0602$).

Individuals with a health problem that has caused a change in diet, or with tooth or mouth problems that interfere with eating, are more likely to receive home-delivered meals than individuals with neither of these problems. A single variable indicating the presence of either of these health problems predicts receipt of home-delivered meals better than either variable individually and is used in all models in Table 8.

Our initial analysis shows that those living with a child, with other relatives, with nonrelatives, or alone are all more likely to receive home-delivered meals than individuals living with a spouse (see Column 3). As the coefficients for living arrangements show, those living with nonrelatives or alone appear to be more likely to receive home-delivered meals than those living with a child or other relatives. In Column 4, we explicitly examine these differences.⁹

Living with another family member decreases an individual's risk of receiving home-

delivered meals. Those living alone or with nonrelatives are the most likely to receive home-delivered meals; those living with a spouse are the least likely. Those living with a child or with other relatives fall in between—they are significantly more likely to receive home-delivered meals than those living with a spouse, but are significantly less likely to receive home-delivered meals than those living alone or with others.

When living arrangements, functional limitations, and health conditions are taken into account, women are significantly *less* likely to receive home-delivered meals than men. Why does sex have a significant impact at the multivariate level but not at the bivariate level? The answer lies in sex differences in living arrangements (see Table 9). Among women with one or more functional limitations, nearly half live alone or with nonrelatives—two living arrangements associated with high probabilities of using home-delivered meals. Among men with one or more functional limitations, nearly three-quarters live with their wives—a living arrangement associated with a low probability of using home-delivered meals.

[Table 9 about here]

In the bivariate analysis, the probability of receiving home-delivered meals appears to increase with age, but in the multivariate analysis, there is no age effect. As shown in Appendix B, Section 3, individuals in the oldest group (85 and older) have a relatively high probability of using home-delivered meals because they are very likely to have multiple functional limitations. No single factor explains why people in the middle age group (75-84) are more likely to receive home-delivered meals than people aged in the youngest age group (65-74). Rather, the apparent age difference results from a combination of three factors: those 75-84 are more likely than those 65-74 to have multiple functional limitations; they are more likely to live with children or other relatives and less likely to live with a spouse; and they are substantially more likely to have an eating-related health problem.

USE OF CONGREGATE MEALS

Bivariate Analysis

In the bivariate analysis, the following factors are associated with an increase probability of using congregate meals:

- Being at least 75 years old, compared with being younger than 75;
- Being black or a member of another race, compared with being white;
- Being female;
- Living alone, compared with living with a spouse;
- Living in a metropolitan area;
- Having very low or moderately low income, compared with having a higher income;
- Being unable to drive;
- Having a condition interfering with eating;
- Having a condition that has caused a change in diet;
- Having had two or more alcoholic drinks in the last day, compared with having had no drinks or only one.

The following factors did not affect whether an individual uses congregate meals: whether anyone in the individual's family receives welfare, functional limitations other than not being able to drive, and having tooth or mouth problems. Those living with a child, with other relatives, or with nonrelatives are no more or less likely to use congregate meals than those living with a spouse, although, as noted above, those living alone are more likely to. Besides offering food, congregate meals also provide companionship, so we also tested the effects of extreme isolation. Among those living alone, those with no one to help if sick are more likely to use congregate meals than those who do have someone, but the difference is not statistically significant.

[Table 10 about here]

Multivariate analysis

We run a single model including all variables that were significant at the bivariate level. The results are shown in Table 11, Column 1. All variables are significant except being at least 85 years old, being female, and having a very low income. In analysis that is not shown, we also include, one at a time, each variable insignificant at the bivariate level. None is significant. As we show later, being female and having a very low income emerge as significant when interactions between variables are taken into account.¹⁰

The test for interactions among the independent variables in this analysis reveals that 11 are statistically significant. Appendix C shows how we determine which interaction terms are significant. The full model is shown in the second column of Table 11 and terms describing the effects of variables involved in interactions are shown in Table 12. The factors that induce individuals to go to congregate meal sites differ by sex, race, living arrangements, income, and ability to drive, and whether they live in a metropolitan area. The major results are as follows.

[Table 11 about here]

The relationship between age and use of congregate meals is shaped like an inverted U, relatively high for those 75-84, but relatively low for those under 75 or over 84. (As shown in Appendix B, Section 4, individuals aged 85 and older are more likely than 65-74 year olds to use congregate meals because individuals in the older group are more likely to have low incomes and are less likely to be able to drive.)

[Table 12 about here]

The effect of race depends on income level. Among those with very low or moderately low incomes, racial differences in use of congregate meals are not significant.

Among those with higher incomes, however, whites are significantly more likely to use congregate meals than blacks.

Compared with those living with a spouse, individuals living alone or with relatives other than their children are more likely to use congregate meals. The effect of living with one's children depends on sex. For men, those living with children are *more* likely to use congregate meals than those living with their wives. For women, those living with children are *less* likely to use congregate meals than those living with their husbands. (Use of congregate meals among senior living with nonrelatives does not differ significantly from use by those living with a spouse.)

Seniors in nonmetropolitan areas are significantly more likely to use congregate meals than those in metropolitan areas. Place of residence also mediates the effect of heavy alcohol use. In metropolitan areas, senior reporting they had two or more alcoholic drinks the day before the survey are less likely to use congregate meals than those who report less alcohol consumption. In nonmetropolitan areas, the reverse is true. The extent to which this reflects reporting rather than behavioral differences is not clear.

Seniors who cannot drive are more likely to use congregate meals than those who can drive, although this effect is stronger for men than for women.

Having an illness or condition that interferes with eating increases the probability of using congregate meals for men, but not for women. Having an illness or condition that has caused a change in diet, on the other hand, reduces the likelihood of using congregate meals for both men and women.

In general, women are more likely to use congregate meals than men, although there are a few exceptions. Among those who cannot drive or who have an illness or condition interfering with eating, there are no significant sex differences in use of congregate meals. Among seniors living with their children, use of congregate meals is significantly higher among men than among women.

Overall, seniors with low incomes are significantly more likely to use congregate meals than those with higher incomes. There are two exceptions. First, among those who cannot drive—a group with a high probability of using congregate meals—use of congregate meals does not increase as income declines. Second, among those who live alone—another group with a high probability of using congregate meals—those with very low incomes are no more likely to use congregate meals than those who do not have high incomes.

REACHING THOSE IN NEED: WHO DOESN'T USE FOOD PROGRAMS?

The results so far show that, in general, as an individual's level of need for food programs increases, the probability of participating in food programs also increases. In this section, we look at the percentage of elderly whose characteristics suggest they need food assistance programs but do not use them.

We use five measures of need: the existence and number of measures of food insecurity, household income relative to household size, the existence and number of functional limitations, the existence and number of eating-related health problems, and whether an individual lives alone. For each measure of need, we look at the percentage of elderly who, according to the criteria used in this paper, are eligible to receive benefits from each food assistance program but who do *not* receive benefits.

Table 13 shows the results. Among the low-income elderly, nearly 9 out of 10 do not receive food stamps. Among those with very low incomes, more than 4 out of 5 do not

receive food stamps. Even among those who appear to need help getting adequate food—indicated by reporting one or more instances of food insecurity in the last six months—nearly 3 out of 4 do not receive food stamps.

[Table 13 about here]

The vast majority of elderly individuals with at least one functional limitation—95 percent—do not receive home-delivered meals. Furthermore, 9 out of 10 individuals with a functional limitation who have experienced food insecurity in the last six months do not receive home-delivered meals. Receipt of home-delivered meals is below 6 percent for the following groups: individuals with three or more indicators of food insecurity, individuals with very low incomes relative to their household size, individuals with three or more eating-related illnesses, and individuals living alone. Of all the measures of need we examine, for only one—having three or more functional limitations—is receipt of home-delivered meals higher than 10 percent. Thirteen percent of those with three or more functional limitations receive home-delivered meals, but this still means that 6 out of every 7 elderly individuals with three or more functional limitations is not getting home-delivered meals.

About 1 in 10 elderly individuals in our sample uses congregate meals. The vast majority of those experiencing food insecurity in the last six months, 82 percent, do not use this program. Two out of 3 elderly individuals who report having three or more indicators of food insecurity and 5 out of every 6 individuals elderly individuals who live alone forego congregate meals.

Finally, nearly 2 out of 3 elderly persons who have experienced food insecurity in the last six months do not receive benefits from any of the food assistance programs. Even among those who have experienced three or more types of food insecurity, nearly half—48

percent—receive no benefits from any of the three programs.

SUMMARY AND DISCUSSION

In this paper, we have examined the factors associated with using food stamps, home-delivered meals, and congregate meals among Americans aged 65 and older, and how well these services reach those who need them.

Receipt of Food Stamps. Receipt of food stamps among the low-income elderly depends on race, income, receipt of welfare, and ability to drive.

Use of food stamps among low-income elderly blacks is higher than use among low-income elderly whites and others, even when age, income, receipt of welfare, and functional limitations are taken into account. Furthermore, race influences how income and age affect use of food stamps. For whites and others, food stamp use declines starting at approximately age 75, but for blacks, food stamps use does not decline until approximately age 85. For whites and others, the probability of using food stamps increases as income relative to household size decreases, but for blacks, income relative to household size has no effect on use of food stamps. These racial differences in food stamp use among the elderly merit further study because of our limited ability to assess program eligibility. To the extent that we underestimate eligibility of blacks relative to whites, our results overstate racial differences in participation rates.

Low-income elderly are more likely to receive food stamps if they receive cash assistance than if they do not. Again, this may partially reflect the fact that our identification of those eligible for food stamps is imprecise. If our definition of "eligible" is too broad, the effect of being on welfare will be overstated because all AFDC and SSI recipients are categorically eligible for food stamps.

Unlike Doyle and Beebout (1988), we find no evidence that living alone increases use

of food stamps. For our sample, we find that the probability of using food stamps among those living alone is no different from the probability for those living with a spouse and is somewhat *lower* than use by those living with a child, other relatives, or nonrelatives.

How effective are the Food Stamp Program's special provisions allowing elderly individuals to apply over the telephone or in an in-home interview and to designate another person to pick up their coupons? On the negative side, use of food stamps declines with age. We suspect the age variables reflect declines in health and functional ability that are not captured by our variables measuring eating-related health problems and functional limitations. This suggests that other methods may be needed to make food stamps available to the impaired elderly. On the positive side, elderly individuals in our sample who are not able to drive are more likely to receive food stamps than those who can drive. There are two possible interpretations of this finding. Either limited mobility does not interfere with getting food stamps, or individuals who are unable to drive are more likely to come in contact with social workers or others who can help them apply for food stamps.

Receipt of Home-Delivered Meals. Receipt of home-delivered meals among the elderly with at least one functional limitation depends not only on physical health and the extent to which functional abilities are limited, but also on living arrangements and sex. As expected, receipt of home-delivered meals is relatively high among individuals with eating-related health problems and with multiple functional limitations. All else being equal, living with a relative, especially a spouse, reduces the likelihood that an individual will receive home-delivered meals. People who live alone or with nonrelatives are the most likely to get home-delivered meals, those living with their children or other relatives are moderately likely, and those living with a husband or wife are the least likely to receive home-delivered meals.

But, all else being equal, women are less likely to receive home-delivered meals than

men. We can think of several possible explanations. In general, women have more experience preparing food than men, so it may be that at any level of illness or impairment women are more capable (or more willing) to prepare food. Another possibility is that women may have more informal resources to call on, such as friends, neighbors, and non-coresidential kin. Finally, women may be less willing than men to apply for home-delivered meals.

Use of Congregate Meals. The Congregate Meals Program is aimed at people who have low incomes or who are unable to perform normal daily tasks or to live independently because they have disabilities, face language barriers, or are culturally, socially, or geographically isolated, or are isolated because of their race or ethnicity (U.S. Congress 1992, Section 102, No. 20 and 30). In general, among the targeted groups we were able to identify in our data, use of congregate meals tends to be relatively high. Overall, low-income seniors are more likely to use congregate meals than those with higher incomes. Not being able to drive and having a condition that interferes with eating both increase the probability of using congregate meals—although the effect of the latter is observed only for men. (As expected, since congregate meals programs do not cater to special diets, use of congregate meals among those with a health problem that has changed their diets is relatively rare.) Furthermore, those living alone are more likely to use congregate meals than those living with a spouse and those living in non-metropolitan areas are more likely to use congregate meals than those living in metropolitan areas.

Some interesting patterns in use of congregate meals emerged from our analysis.

First, among the non-poor, blacks are *less* likely to use congregate meals than whites. This could indicate that congregate meal programs are more successful at providing company for non-poor whites than they are for non-poor blacks, but could also indicate that elderly

blacks have other avenues for companionship.

Second, for men, use of congregate meals appears to be concentrated among those who have some sort of impairment or health problem. Compared with women, men who can drive or have no condition or health problem interfering with eating have relatively low probabilities of using congregate meals.

Third, congregate meal programs appear to attract not just seniors living alone, but seniors living with anyone other than their husband or wife. (An exception is women living with their children, who are relatively unlikely to use congregate meals.) This suggests that congregate meal programs may have an important role in providing a particular type of companionship—that of other seniors.

Fourth, the finding that use of congregate meals is significantly higher among seniors living outside metropolitan areas suggests that programs in these areas are doing a relatively good job of meeting the needs of the "geographically isolated." More research should be done, however, to see why seniors in metropolitan areas are less likely to use congregate meals. Demand for congregate meals may be less in metropolitan than nonmetropolitan areas. On the other hand, demand may be as high in metropolitan areas, but the number of programs may be inadequate or the programs that exist may be inaccessible to some seniors who need them.

Finally, we found that seniors aged 75 to 85 are more likely to use congregate meals than younger or older seniors. The finding that older seniors have relatively low probabilities of using congregate meals is not surprising because the apparent age differences may actually reflect illness or mobility problems not adequately captured by the variables in our model. The relatively low probability of using congregate meals among those aged 65-74 requires more investigation, however. A key question is whether congregate meal programs have

always attracted seniors aged 75-84, or if the current group of 75-84 year old seniors started using congregate meals when they were younger and have continued using the program as they have aged. If the latter scenario is correct, congregate meal programs may need to focus on attracting the current cohort of "young old" seniors.

Reaching those in need. Overall, we have shown that as an individual's need for services from a food service program increases, his or her probability of receiving benefits from the program also increases. However, when we look at *absolute* levels of program use among the needy elderly, another picture emerges. The Food Stamp Program provides no benefits to 73 percent of the presumptively eligible elderly who have experienced food insecurity in the last six months. Home-delivered meals do not reach 87 percent of elderly people with three or more functional limitations and 82 percent of functionally-limited elderly who have experienced food insecurity in the last six months. Congregate meals are not used by 82 percent of the elderly who live alone and 82 percent of elderly who have experienced food insecurity in the last six months. Five out of 8 elderly people who experienced food insecurity in the last six months currently receive no benefits from food stamps, home-delivered meals, or congregate meals. In other words, these food assistance programs serve only a fraction of the elderly individuals who appear to need them.

APPENDIX A. METHODS¹¹

The data presented in this paper were collected through a mail survey sent in June 1992 to a sample of 3,500 households with at least one household member age 65 or older. The sample was drawn from a panel of more than 350,000 households maintained by Market Facts, Inc., for the purpose of conducting marketing research. The panel includes households who, in response to solicitations sent to a randomly selected, nationally representative sample of households, indicated their willingness to respond to periodic mailed questionnaires. Using this panel as our sampling frame had three critical advantages: 1) we were able to identify households with at least one member within the target age range and to restrict our sampling to such households; 2) we could use stratified random sampling (on age and income) to assure adequate sample sizes in every cell (e.g., 85 and older below poverty); and 3) the cost was very much less than other approaches. The disadvantage is that the panel, and therefore the resulting sample, is biased in the direction of the literate and those willing to fill out mail surveys. No payment to respondents was involved, and they receive no products or services from Market Facts, Inc. or its clients.

The final sample includes 2,734 respondents, a 78 percent response rate. Responses have been weighted using age, income, and geographical location data from the March 1991 Current Population Survey to make our sample correspond on these three variables of the 31.2 million individuals over 65 years of age reported in the 1990 Census. Our final weighted sample, when compared to the 1990 U.S. population of persons 65 and older, contains somewhat more females (67 versus 60 percent). It somewhat underrepresents whites (79 versus 89 percent), overrepresents blacks (15 versus 8 percent) and other races, and seriously underrepresents Hispanics (1 versus 4 percent). We will be able to conduct separate analyses for whites and blacks, but not for Hispanics or other racial groups. Our sample contains a

higher proportion of elderly who live alone (38 percent) than in the general elderly population (28 percent), and a slightly lower proportion of people with limited mobility or ability to care for themselves (30 versus 36 percent). These sample biases may limit the generalizability of our findings.

APPENDIX B

SUBSIDIARY ANALYSIS: FACTORS AFFECTING USE OF FOOD STAMPS,
HOME-DELIVERED MEALS, AND CONGREGATE MEALS1. *Effect of eating-related health problems on use of food stamps.*

Among low-income elderly, those with a health condition that interferes with their eating are more likely to use food stamps than individuals without this type of problem. Similarly, individuals with a health problem that has changed their diet are more likely to use food stamps than those without this problem. However, in the multivariate analysis, neither of these eating-related health problems affects food stamp use.

[Table B1 about here]

We examine why individuals with either of these health problems are more likely to use food stamps than those without these problems. Including both eating-related variables in the same model renders both statistically insignificant (see Table B1, Column 3), so we examine the effects of the two variables on use of food stamps separately.¹² For each, we start with a base model including the health problems, and then add—one at a time—age, race, income, the receipt of welfare, and the ability to drive. Only inability to drive (see Table B1, Columns 4 and 5) significantly affects the relationship between the eating-related health problems and use of food stamps. We find that the relationship between the eating-related health problems and use of food stamps is spurious. Individuals with these health problems are less likely to be able to drive than individuals without these problems (see Table B2), and it is the inability to drive, rather than the health problem itself, that increases use of food stamps.

[Table B2 about here]

2. *Effect of living arrangements on use of food stamps.*

Among low-income elderly, those who live with their children were more likely to use food stamps than those who lived with a spouse. When age, race, income, the receipt of welfare, and the ability to drive are taken into account, living with a child no longer has a significant effect on use of food stamps.

[Table B3 about here]

We examine why individuals who live with their children use food stamps more than those who live with a spouse. Starting with a base model including only living arrangements, we added—one at a time—age, race, income, the receipt of welfare, and the ability to drive. Only one of these variables, receipt of welfare, significantly changes the relationship between living with children and receiving food stamps. As the second column of Table B3 shows, family structure has no direct effect on use of food stamps. Individuals who live with their children are more likely to receive food stamps than those living with a spouse because, as the third column shows, individuals who live with their children are substantially more likely to receive welfare and receiving welfare significantly increases the probability that an individual receives food stamps.

3. *Effect of age on receipt of home-delivered meals.*

Compared with individuals aged 65-74, individuals aged 75-84 or 85 and older are more likely to receive home-delivered meals. In the multivariate analysis, however, age has no effect on receipt of home-delivered meals. In this section we explore why use of home-delivered meals increases with age.

[Table B4 about here]

Starting with a base model including age (see Table B4, Column 1), we add—one at a time—the other variables that significantly affect receipt of home-delivered meals—sex, living

arrangements, number of functional limitations, and whether an individual has a health condition that has changed his or her diet or has a tooth or mouth condition that interferes with eating (which we will refer to as "health problems"). Only entry of the number of functional limitations significantly reduces the effect of age, rendering being aged 85 or older insignificant (see Column 2).

We then enter the other variables two at a time. Entering number of functional limitations with either living arrangements (see Column 3) or health problems (see Column 4), renders being age 75-84 insignificant.

[Table B5 about here]

The logistic regression results suggest that people aged 85 and older are more likely to use home delivered meals than those 65-74 because they are much more likely to have multiple functional limitations. This is substantiated in Table B5. The logistic regression results also suggest, and Table B5 confirms, that there are three reasons that people aged 75-84 are more likely to receive home-delivered meals than those 65-74: they are more likely to have multiple functional limitations; they are more likely to live with children or other relatives and less likely to live with a spouse; and they are substantially more likely to have an eating-related health problem.

4. Effect of age on use of congregate meals.

Individuals aged 85 or older are significantly more likely to use congregate meals than individuals aged 65 to 74. In the multivariate analysis, the effect of being 85 or older is no longer significant.

[Table B6 about here]

We explore what other factors account for the relatively high likelihood of use of congregate meals among those 85 years old or older. Starting with a model with only age,

we include—one at a time—every other variable that affected use of congregate meals in the multivariate model. Both age variables remain significant when the following variables are taken into account: race, sex, living arrangements, living in a metropolitan area, and having a condition that interferes with eating, having a condition that has changed one's diet, and having had two or more drinks in the previous day. When either income or not being able to drive is included in the model (see Table B6, Columns 2 and 3), the effect of being 85 or older is no longer significant.

APPENDIX C

INTERACTIONS BETWEEN VARIABLES IN PREDICTING USE
OF CONGREGATE MEALS

We take the following steps to determine which of the 111 interactions are significant.

1. We enter each set of interactions one at a time. A set of interactions is all possible interactions between the values of one variables and the values of another variable. For example, the interactions of race and sex produce four interaction terms: **Age 75-84 * Black**; **Age 75-84 * Other races**; **Age 85+ * Black**; and **Age 85+ * Other races**. We also include sex and all other variables significant in the bivariate analysis.

If the interaction between two variables produces a zero cell or a cell with only one case, we do not include it. For example, none of the 75-84 year olds and only one of the black people in the sample lives with nonrelatives, so these interactions are never tested.

2. As a block, we test for the significance of all interactions including a single variable that were significant in the Step 1. (For example, all significant interactions including either Age 75-84 or Age 85+.)

3. We include in a single model all interactions that were significant in Step 2. Insignificant interactions are dropped.

The final model is shown in the second column of Table 11.

NOTES

1. Food insecurity is the opposite of *food security*, defined as being able to get "culturally acceptable, nutritionally adequate diet[s], through non-emergency food channels, at all times" (Cohen and Burt 1990).
2. We cannot make direct comparisons between our data and official program participation data because of age differences and time period differences. Data for 1990 from the Food and Nutrition Service, Administration on Aging, and the 1990 Census suggest that food stamp participation among our sample may be slightly lower and congregate meal participation slightly higher than the national averages for the elderly.
3. Counted liquid assets included cash on hand, checking and savings accounts, savings certificates, stocks and bonds, IRAs, Keogh plans, non-recurring lump-sum payments, a portion of the value of vehicles, and the equity value of some property (Committee on Ways and Means 1992:1621).
4. Restricting eligibility to those with very low income would exclude 23 percent of those who report receiving food stamps. This definition of food stamps still excludes 16 percent of food stamp users in our sample. The discrepancy is probably due to differences between annual and monthly income measures.
5. These programs were authorized by the Older Americans Act in 1965 and by Title III of the Older Americans Act Amendments of 1988 (U.S. Congress, 1965, 1988).
6. "Greatest economic need" means need arising from having an income at or below the poverty line. "Greatest social need" means need arising from (1) physical and mental disabilities, (2) language barriers, or (3) cultural, social, or geographic isolation (including isolation caused by race or ethnicity) that limit an individual's ability to perform normal daily tasks or to live independently (U.S. Congress 1992, Section 102, No. 20 and 30).
7. This criterion for selecting the subsample misses 17 percent of those reporting they currently receive home-delivered meals. Some of these apparently unimpaired individuals may be eligible to receive home-delivered meals because they are extremely socially isolated. Nevertheless, we expect that many of these individuals received home-delivered meals for only a short period—for example, while recovering from an illness or injury—but that they described their *usual* abilities rather than their current abilities in answering the questions about functional limitations. If we had defined our subsample using a more restrictive criterion, being unable to leave home without assistance, we would have excluded a quarter of those receiving home-delivered meals.
8. For dichotomous variables, the reference value is coded "0" and the other value is coded "1." For variables with more than two values, a series of dummy variables is constructed.
9. Living arrangements are recoded into four categories: (1) with spouse; (2) with child or another relative; (3) with nonrelatives; and (4) alone. Individuals in the second, third, and fourth categories receive a "1" for the "not with spouse" variable. Individuals living with a spouse (category 1) receive a "0" for the "not with spouse" variable. The effect of living with a child or with other relatives is shown by the coefficient of the "not with spouse" variable. The effect of living with nonrelatives is shown by the sum of the coefficients associated with the "not with spouse" variable and with the "with nonrelatives" variable. The effect of living alone is shown by the sum of the coefficients
10. We investigated whether the number of other functional limitations have an effect on congregate meal use when ability to drive is taken into account. It does not.
11. The description of the data used in this study is from Burt et al. (1994).
12. We also try using a summary measure which equalled "1" if an individual had a health condition interfering with eating, a health condition that changed his or her diet, or both; and "0" otherwise. The summary variable is not significant at the bivariate level or in a multivariate model including age, race, income, receipt of welfare, and ability to drive.

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Table 1. Dependent variables.

Type of food insecurity	Definition	% 65+ who report using program
Use of food stamps	Someone in household receives food stamps.	4.4
Receives home-delivered meals	Currently receives home-delivered meals from a program.	1.5
Goes to congregate meals	Currently eats at a senior community meal program.	10.8

Table 2. Independent variables and characteristics of all elderly in sample.

Variables and descriptions		% of total sample in category
Age		
65-74		60.7
75-84		31.4
85+		7.9
Race		
White	Non-Hispanic whites. ^a	80.0
Black	Non-Hispanic blacks.	15.4
Other	Asian or Pacific Islander, Hispanic, American Indian or Alaska Native, or other. ^b	4.6
Sex		
Male		32.6
Female		66.8
Don't know/No answer		0.6
Living arrangements		
With spouse		44.7
With child(ren)	Lives with child(ren) and does not live with spouse.	12.2
With other relatives	Lives with relatives other than spouse or child.	3.2
With nonrelatives	Lives with nonrelatives. No relatives in household.	1.2
With others	Household size is 2+. Identity of other(s) not given.	0.2
Alone		38.6
In metropolitan area	Lives in a Metropolitan Statistical Area (MSA). ^c	73.3
Income level relative to household size		
Very low income	Below or slightly above federal poverty line. ^d	18.1
Moderately low income	Income relative to household size no more than \$2,5000 above "very low income" threshold.	9.5
Not low income	Income relative to household size above moderately low income" threshold.	72.4
On welfare	In last month, someone in household received welfare (ADC/AFDC), Supplemental Security Income, General Assistance (or Relief), or Home Relief.	6.3
Functional limitations		
Cannot leave home without help from another person		9.1
Cannot drive a car		23.5
Cannot eat without help from another person		0.9
Cannot shop for own food		8.3
Cannot prepare own food		5.8
Eating related problems		
Illness or condition interfering with eating. (Includes conditions such as arthritis or paralysis of arms or hands, and ailments treated with medication inducing nausea or reducing appetite.)		14.3
Illness or condition has caused change in diet		33.1
Tooth or mouth problems make it hard to eat.		11.6
2+ alcoholic drinks		10.5

^aIncludes people who gave no answer.^bIncludes people who gave more than one answer.^cAn MSA contains a large population nucleus and the nearby communities economically and socially integrated with that nucleus.^dSee Table 4 for detailed description.

Table 3. Measures of poverty and low income.

Number of persons ^a	Income thresholds		
	1992 Federal poverty line ^b	Very low income	Moderately low income
1	\$6,786	\$7,499	\$9,999
2	\$8,558	\$9,999	\$12,499
3	\$1,128	\$12,499	\$14,999
4	\$14,463	\$14,999	\$17,499
5	\$17,097	\$17,499	\$19,999
6	\$19,313	\$19,999 ^c	\$22,499 ^c
7	\$21,914		

Note: Source for Federal poverty statistics: Committee on Ways and Means, U.S. House of Representatives (1992). Overview of Entitlement Programs.

^aFor Federal poverty thresholds, number of persons refers to the number of persons in the family. For low-income thresholds, it refers to the number of persons in the household.

^bIncome thresholds are for households headed by individual aged 65 or older.

^cThreshold for six or more people.

Table 4. Use of food assistance programs among seniors with food insecurity.

Type of food insecurity	% with this indicator of food Insecurity	% with food insecurity using program		
		Food Stamps	Home-delivered meals	Con-gregate meals
No food insecurity	--	3.6	1.2	10.4
Any type of food insecurity	4.9	19.2	6.4	17.7
No food or resources to buy food	2.0	25.1	3.1	18.0
Chose between food and rent or utilities	2.6	22.4	11.1	18.9
Chose between food and medication	2.2	19.9	3.9	21.9
Skipped meals because no food or resources	1.3	26.0	2.6	33.5

Note: See text for detailed descriptions of food insecurity indicators. "Skipped meals" refers to previous month; all other indicators refer to previous six months.

Table 5. Use of food stamps among presumptively eligible: Bivariate analysis.
(N=754)

Variables		% of subsample with characteristic	% with characteristic using food stamps
Low-income elderly			13.3
Age	65-74	48.9	16.5 R
	75-84	38.8	11.3
	85+	12.3	7.0 *
Race	White	76.1	11.0 R
	Black	17.6	24.7 *
	Other	6.4	10.2
Sex	Male	16.7	13.4 R
	Female	82.6	13.3
	Unknown	0.7	--
Living arrangements	With spouse	26.1	11.0 R
	With child(ren)	8.8	26.5 *
	With other relatives	5.3	15.9
	With nonrelatives	1.7	25.1
	With others	0.3	--
	Alone	57.8	11.9
In metropolitan area	Yes	65.2	12.9
	No	34.8	14.2 R
Income	Very low income	65.7	18.6 *
	Moderately low income	34.3	3.2 R
Receives welfare	Yes	13.3	49.7 *
	No	86.7	7.8 R
Leave home without help?	Yes	86.7	13.2 R
	No	13.2	14.0
Drive?	Yes	62.4	9.5 R
	No	37.6	19.6 *
Eat without help	Yes	99.5	13.3 R
	No	0.5	--
Shop without help?	Yes	91.1	13.0 R
	No	8.9	16.9
Prepare food without help?	Yes	94.5	13.1 R
	No	5.5	17.3
Condition interfering with eating			
	Yes	18.2	18.9 *
	No	81.8	12.1 R
Condition has changed diet			
	Yes	33.3	17.1 *
	No	66.7	11.7 R
Tooth or mouth problems	Yes	15.2	15.8
	No	84.9	12.9 R
No. alcoholic drinks	0-1	95.4	13.3 R
	2+	4.6	13.5

Note: Presumptively eligible for food stamps means having low or moderately low income.

* p<0.05 compared with reference category, R.

-- Fewer than 10 cases in category.

**Table 6. Use of food stamps among presumptively eligible:
Multivariate logistic regression.**

Variables	Models		
	1	2	3
Intercept	-3.98	-3.83	-4.68
65-74	R	R	R
75-84	-0.37	-0.38	-0.84 *
85+	-1.22 *	-1.17 *	-1.34 *
White/Other race	R	R	R
Black	0.49	0.50	2.41 *
With spouse	R		
With child(ren)	-0.07		
With other relatives	0.30		
With nonrelatives	-0.06		
With others	0.60		
Alone			
Very low income	1.61 *	1.63 *	2.72 *
Moderately low income	R	R	R
Receives welfare	2.22 *	2.26 *	2.26 *
Cannot drive	0.54 *	0.57 *	0.63 *
Condition interfering with eating	0.36		
Condition changes eating	0.28		
Black * Age 75-84			1.13 *
Black * Very low income			-2.64 *

Note: Presumptively eligible for food stamps means having low or moderately low income.

* $p < 0.05$ compared with reference category, R.

Table 7. Receipt of home-delivered meals among presumptively eligible: Bivariate analysis.
(N=708)

Variables		% of subsample with characteristic	% with characteristic using home-delivered meals
Elderly with 1+ functional limitations			4.7
Age	65-74	41.6	1.9 R
	75-84	37.4	6.4 *
	85+	21.0	7.2 *
Race	White	73.0	5.2 R
	Black	20.0	3.3 *
	Other	7.0	3.2 *
Sex	Male	21.2	4.4 R
	Female	78.5	4.8
	Unknown	0.3	—
Living arrangements	With spouse	26.5	0.6 R
	With child(ren)	27.1	7.5 *
	With other relatives	5.2	4.0
	With nonrelatives	2.0	32.4 *
	With others	0.4	—
	Alone	38.7	4.3 *
	Help if sick?		
	Yes	75.6	3.3 R
	No	24.4	7.2
In metropolitan area	Yes	76.1	5.3
	No	23.9	2.7 R
Income	Very low income	32.8	4.6
	Moderately low income	10.4	2.3
	Not low income	56.8	5.2 R
Receives welfare	Yes	10.2	4.9
	No	89.8	4.7 R
Leave home without help?	Yes	64.8	0.7 R
	No	35.2	12.0 *
Drive?	Yes	9.1	0.2 R
	No	90.9	5.2
Eat without help	Yes	96.7	4.9 R
	No	3.3	0.0
Shop without help?	Yes	67.9	1.4 R
	No	32.1	11.7 *
Prepare food without help?	Yes	77.4	3.7 R
	No	22.6	8.0 *
No. functional limitations	1	59.4	0.7
	2	12.2	3.8 *
	3	14.7	14.7 **
	4+	13.7	13.6 *
Condition interfering with eating			
	Yes	17.6	4.3
	No	82.4	4.8 R
Condition has changed diet			
	Yes	36.1	8.4 *
	No	63.9	2.6 R
Tooth or mouth problems	Yes	21.2	7.9 *
	No	78.8	3.8 R
No. alcoholic drinks	0-1	96.8	4.7 R
	2+	3.2	0.0

Note: Presumptively eligible for food stamps means having low or moderately low income.

* $p < 0.05$ compared with reference category, R.

— Fewer than 10 cases in category.

**Seniors with 2 or more functional limitations are significantly more likely to receive home-delivered meals than seniors with one functional limitation.

**Table 8. Receipt of home-delivered meals among presumptively eligible:
Multinomial logistic regression**

Variables	Models			
	1	2	3	4
Intercept	-8.74	-8.23	-8.13	-8.13
65-74	R			
75-84	0.84			
85+	0.71			
Male/Unknown			R	R
Female			-1.20 *	-1.20 *
With spouse	R	R	R	R
With child(ren)	2.12 *	2.09 *	2.82 *	
With other relatives	1.85	1.88	2.70 *	
With nonrelatives	3.92 *	4.06 *	5.01 *	2.21 *
Alone	3.24 *	3.22 *	4.13 *	1.33 *
Not with a spouse ^a				2.81 *
1 Functional limitation	R	R	R	R
2+ Functional limitations	1.43	1.57	1.55	1.55
3+ Functional limitations	1.93 *	1.89 *	1.93 *	1.94 *
Health problem has changed diet or tooth or mouth problems or both ^b	1.15 *	1.14 *	1.28 *	1.29 *

Note: Presumptively eligible for home-delivered meals means having one or more functional limitations.

^a "Not with spouse"=1 if alone or with child or with other relatives or with nonrelatives.

"Not with spouse"=0 if living with a spouse.

In Model 4, the "not with spouse" variable shows whether use of home-delivered meals among those living with a spouse differs from use by those in other living arrangements. The "with nonrelatives" variable shows whether those living with nonrelatives differ from those living with children or other relatives. The "alone" variable shows whether those living alone differ from those living with children or other relatives.

^b Has a health condition that has caused a change in diet, has a mouth problem that interferes with eating, or both. Reference category contains individuals with neither problem.

Table 9. Sex differences in living arrangements among those presumptively eligible for home-delivered meals.

Living arrangements	% in living arrangement	
	Women	Men
With spouse	14.6	72.2
With children or other relatives	36.9	15.6
Alone or with nonrelatives	48.5	12.2

Table 10. Use of Congregate Meals: Bivariate analysis.
(N=2,734)

Variables		% of subsample with characteristic	% with characteristic using congregate meals
All elderly			10.8
Age	65-74	60.7	8.3 R
	75-84	31.4	14.8 *
	85+	7.9	13.7 *
Race	White	80.0	10.9 R
	Black	15.4	7.1 *
	Other	4.6	19.9 *
Sex	Male	32.6	6.9 R
	Female	66.8	12.6 *
	Unknown	0.6	7.2
Living arrangements	With spouse	44.7	6.5 R
	With child(ren)	12.2	7.0
	With other relatives	3.2	3.1
	With nonrelatives	1.2	6.5
	With others	0.2	--
	Alone	38.6	17.7 *
	Help if sick?		
	Yes	73.4	5.0 R
	No	26.6	16.0
In metropolitan area	Yes	73.3	8.5 *
	No	26.7	16.8 R
Income	Very low income	18.1	17.1 *
	Moderately low income	9.5	17.2 *
	Not low income	72.4	8.3 R
Receives welfare	Yes	6.3	9.9
	No	93.7	10.8 R
Leave home without help?	Yes	90.9	10.8 R
	No	9.1	10.7
Drive?	Yes	76.5	9.6 R
	No	23.5	14.6 *
Eat without help	Yes	99.1	10.8 R
	No	0.9	3.9
Shop without help?	Yes	91.7	10.7 R
	No	8.3	11.4
Prepare food without help?	Yes	94.2	10.8 R
	No	5.8	9.8
No. functional limitations	0	74.1	9.6
	1	15.4	15.7 *
	2	3.2	13.5
	3	3.8	9.3
	4+	3.5	11.2
Condition Interfering with eating	Yes	14.3	14.0 *
	No	85.7	10.2 R
Condition has changed diet	Yes	30.0	9.1 *
	No	70.0	11.6 R
Tooth or mouth problems	Yes	11.6	12.4
	No	88.4	10.5 R
No. alcoholic drinks	0-1	89.5	11.4 R
	2+	10.5	4.8 *

* $p < 0.05$ compared with reference category, R.

-- Fewer than 10 cases in category.

Table 11. Use of congregate meals: Multivariate logistic regression.

Variables	Models	
	1	2
Intercept	-2.42	-3.54
65-74	R	R
75-84	0.33 *	0.35 *
85+	0.12	0.16
White	R	R
Black	0.43 *	-1.28 *
Other	0.79 *	2.18 *
Male/unknown	R	R
Female	0.13	1.07 *
With spouse	R	R
With child(ren)	-0.09	1.01 *
With other relatives	-0.33 *	0.71 *
With nonrelatives	-0.06	-0.55
Alone	0.90 *	1.15 *
Metropolitan area	-0.69 *	-0.55 *
Very low income	0.28	1.06 *
Moderately low income	0.44 *	0.60 *
Not low income	R	R
Cannot drive	0.38 *	2.30 *
Condition interferes with eating	0.54 *	1.41 *
Condition changed diet	0.44 *	-0.39 *
2+ Drinks	-0.64 *	1.31 *
Black * Very low income		1.55 *
Black * Moderately low income		1.63 *
With children * Female		-1.58 *
Alone * Very low income		-0.85 *
Very low income * Cannot drive		-1.07 *
Moderately low income * Cannot drive		-1.17 *
Cannot drive * Female		-1.56 *
Condition interferes with eating * female		-1.03 *
Metro area * 2+ Drinks		-3.16 *
Other race * Living alone		-1.64 *
Other race * Cannot drive		-1.91 *

* p<0.05

Table 12. Use of congregate meals: Interaction terms (Model 2).

	Logistic regression coefficients	
	White	Black
Very low income	1.06	1.33
Moderately low income	0.60	0.95
Not low income	0.00	-1.28
	Men	Women
With spouse	0.00	1.07
With child(ren)	1.01	0.50
With other relatives	0.71	1.78
With nonrelatives	-0.55	0.52
Alone	1.15	2.22
	Not alone	Alone
Very low income	1.06	1.36
Moderately low income	0.60	1.75
Not low income	0.00	1.15
	Can drive	Cannot drive
Very low income	1.06	2.29
Moderately low income	0.60	1.73
Not low income	0.00	2.30
	Male	Female
Can drive	0.00	1.07
Cannot drive	2.30	1.81
	Male	Female
No condition interferes with eating	0.00	1.07
Condition interferes with eating	1.41	1.45
	0-1 Drinks	2+ Drinks
Not in metro area	0.00	1.31
Metro area	-0.55	-2.40

Table 13. Percent of presumptively eligible elderly not using food assistance programs.

	% Low-income elderly not using food stamps N=754	% Functionally limited elderly not using home-delivered meals N=708	% All elderly not using congregate meals. N=2,734	% All elderly not using any food assistance program N=2,734
All	86.7	95.3	89.2	71.6
Any food insecurity				
3+ Measures of food insecurity	73.3 68.2	90.9 94.8	82.3 66.1	63.0 47.6
Any functional limitations				
3+ Functional limitations	81.0 85.3	95.3 86.6	86.1 89.7	75.6 70.9
Low income				
Very low income	86.7 81.4	95.9 95.4	82.8 82.9	70.3 65.8
Any eating-related illness				
3 Eating related illnesses	84.0 76.4	94.5 95.8	89.8 86.4	84.0 80.0
Lives alone	88.1	95.7	82.6	77.5

Table B1. Effect of eating-related health problems on receipt of food stamps.

Variables	Models				
	(1)	(2)	(3)	(4)	(5)
Intercept	-1.98	-2.04	-2.06	-2.35	-2.40
Health condition interferes with eating	0.53*		0.34	0.48	
Health condition changed diet		0.46*	0.32		0.43
Cannot drive				0.82*	0.82*

* $p < 0.05$

Table B2. Eating-related health problems and ability to drive.

(Percentages.)

Health conditions	Percentage who cannot drive
Health condition interferes with eating	
Yes	42.8
No	36.4
Health condition has changed diet	
Yes	41.0
No	35.9

Table B3. Effect of living arrangements on receipt of food stamps and receipt of welfare by type of living arrangements.

Variables	Effect of family structure on receipt of food stamps		Percentage receiving welfare
Intercept	-2.11	-2.74	13.4
With spouse	R	R	R
Alone	0.10	0.27	10.0
With children	1.09*	0.69	31.9
With other relatives	0.44	0.42	16.1
With nonrelatives	1.02	1.09	17.6
Receives welfare		2.42*	

* $p < 0.05$.

R Reference category.

Table B4. Effect of age on receipt of home-delivered meals.

Variables	Models			
	(1)	(2)	(3)	(4)
Intercept	-3.95	-5.62	-8.15	-6.03
65-75	R	R	R	R
75-84	1.27*	1.16*	0.90	0.91
85+	1.40*	0.78	0.47	0.88
1 Functional limitation		R	R	R
2+ Functional limitations		1.52	1.68*	1.21
3+ Functional limitations		1.49*	1.88*	1.50*
With spouse			R	
Alone			3.19*	
With kids			2.21*	
With other relatives			1.94	
With nonrelatives			4.01*	
Health problems ^a				1.15*

* $p < 0.05$

^a Has a health condition that has changed diet or a tooth or mouth condition that interferes with eating. Reference category contains individuals with neither problem.

R Reference category.

Table B5. Changes in number of functional limitations, living arrangements, and health problems associated with age.

Age	Number of functional limitations			Living arrangements			Has health problems ^a
	1	2	3+	Alone or with nonrelatives	With children or other relatives	With spouse	
65-74	71.5	6.4	22.1	40.8	26.1	33.0	39.9
75-84	59.4	14.6	26.0	42.8	30.8	26.4	49.9
85+	35.6	19.1	45.3	36.8	47.2	16.0	41.0

* $p < 0.05$

^a Has a health condition that has changed diet or a tooth or mouth condition that interferes with eating.

Table B6. Effect of age on use of congregate meals.

Variables	Models		
	(1)	(2)	(3)
Intercept	-2.40	-2.61	-2.47
65-74	R	R	R
75-85	0.65*	0.56*	0.60*
85+	0.56*	0.40	0.38
Very low income		0.74*	
Moderately low income		0.76*	
Not low income		R	
Cannot drive			0.36*

* $p < 0.05$.

R Reference category.

**Testimony of Pierce Butler, Vice President, Field Marketing
American Express Travel Related Services, Co., Inc.
before the Subcommittee on Regulation, Business Opportunities and Technology,
House Committee on Small Business**

December 21, 1994

Mr. Chairman and members of the Subcommittee. My name is Perry Butler, and I am Vice President for Field Marketing at American Express Travel Related Services Company. I'm proud to be here today to talk about what American Express is doing to help fight hunger in America.

Our program, called Charge Against Hunger, is in its second year, and so far we've helped raise more than \$10 million for grass-roots hunger-relief and prevention groups in all 50 states and Puerto Rico. Charge Against Hunger is effective not just because it's sponsored by American Express "the corporation" -- it's effective because it's done with the full, enthusiastic support of our Cardmembers; and with merchants across the country who accept the American Express Card, with our employees, and with a knowledgeable, credible nonprofit partner, Share Our Strength, more commonly known as SOS, one of the nation's largest organizations dedicated to hunger relief and prevention. At SOS, they review grant requests and make sure that the money we raise goes to committed, qualified and passionate people on the front lines of this country's hunger fight.

In just a few moments I'll tell you more about how Charge Against Hunger works, how American Express got involved in fighting hunger, and why we think the program is a successful model for private-nonprofit partnerships. But first, I'd like to give a bit of background on hunger in America. Bear in mind, I'm not an expert on hunger. These statistics come to us from SOS and from their contacts in the hunger-relief community.

Overview of Hunger in America

More than 20 million Americans experience hunger several times each month.¹ In fact, a study earlier this year by Second Harvest, a nationwide network of food banks, found that nearly 26 million Americans rely on food pantries, soup kitchens and emergency feeding programs at least once a week. And the problem is growing. Between 1985 and 1990, the number of people in the United States who lacked enough to eat each month increased by 50 percent.² Hunger in America, this so-called land of plenty, is directly attributable to poverty, *not* to the amount of food we produce.

In 1993, one of every six U.S. residents received food stamps or other federal food assistance.³ Eighty-seven percent of those are women, children or elderly people.⁴ And speaking of children, a 1993 Tufts University study found that more than 12 million American children under the age of 18 experienced hunger in 1991.⁵ Since 1973, the number of children in poverty has increased by 63 percent, to a level higher than any year since 1964.⁶ Even more alarming are the 1993 Census Bureau statistics, that show that 25 percent of the nation's pre-schoolers and infants reside with families whose below-poverty incomes make it difficult to provide basic needs such as food, shelter, health care and clothing.

Yet somehow, these hungry children go to school each day, virtually unrecognized by their teachers, neighbors and friends as hungry or undernourished -- and in need of care. Their mothers don't have enough money to pay the rent, heat their homes and buy groceries. The

¹Congressional Hunger Caucus, 1994

²"Causes of Hunger, 1995" published by Bread for the World

³ibid.

⁴ibid.

⁵Tufts University Center on Hunger, Poverty and Nutrition Policy, 1993

⁶ibid.

winter months are the worst. So the kids go to school and sit in the back row, where their minds wander, they can't concentrate, and the teacher can't hear their stomachs growling.

How American Express Got Involved in Fighting Hunger

A group of chefs and restaurateurs who take the American Express Card came to us a little more than five years ago, passionate about the need for every American to have enough to eat. In their line of work, they see great quantities of food, coming and going. Every day, a veritable harvest comes to their kitchen door, and they see that food make a complete cycle, from fresh, to prepared, to the table and back to the kitchen again. They see how much prepared and perishable food can potentially be wasted on a daily basis if there is no system for rescuing it.

The chefs who came to us were among the 4,000⁷ who were involved in "Taste of the Nation," a fundraiser sponsored by Share Our Strength, that was and still is, the nation's largest food-and-wine tasting event ever held to benefit hunger relief. On behalf of SOS, they were looking for a national sponsor to cover operating expenses, so that all of the money raised at the event could go directly to feeding people in need. It didn't take much convincing to bring us on board, and that first sponsorship was the beginning of a long-lasting, private-nonprofit partnership by American Express and SOS to fighting hunger.

A combination of many things came together in the growth of our relationship with SOS and our commitment to fighting hunger. We have a corporate ethic, which we call our "Blue Box Values" and one of our principles is to be involved and supportive in the communities where we live and work. From our very first conversations, we could see that not only Taste of the Nation, but also fighting hunger in other ways, had the potential to impact hundreds of communities across the country. So, we developed a number of key programs with SOS including:

⁷Today, more than 5,000 chefs volunteer their time and ingredients in Taste of the Nation.

Taste of the Nation, in 1992-1994, helping SOS raise a total of \$10.5 million;

"Writer's Harvest: The National Reading," in which more than 800 authors read from their works at more than 100 fundraising events held on college campuses and in bookstores around the country (1993 and 1994, partial sponsor); and

"Million Meals," when college student Cardmembers helped SOS provide one million meals by using the American Express Card during a six-week period in spring 1993.

In the spring of 1993, a few dozen American Express employees came together in a conference room for a brainstorming session in search of a marketing concept that would motivate our Cardmembers to use the American Express Card, and that would make our merchants feel good about us. We kept coming back to Share Our Strength and the successful partnership we'd formed with them and we decided to elevate our hunger-relief efforts to a national scale.

The Million Meals program proved to us that students would use the Card more often when a few pennies per transaction would help provide meals to people who needed them. We thought perhaps that formula would work with all Cardmembers. After all, in 1976, the company had pioneered "cause marketing" with a national campaign that raised one penny per Card transaction for the restoration of the Statue of Liberty. That program had been tremendously successful, yet, while we'd done smaller, local cause-related programs (particularly in the arts), we hadn't tried another major national program.

Charge Against Hunger

Charge Against Hunger evolved from our successful partnership with SOS, and from the commitment of our merchants, our Cardmembers, our employees and our management. We were very careful about the "cause marketing" label; we wanted to be sure that this program would be much more than a marketing campaign. Yes, we wanted people to use our Card. But this time, we wanted to create and inspire a "total corporate commitment." So Charge Against

Hunger has evolved into a fundraising, awareness and volunteer campaign, with five primary objectives:

- 1 To help educate the American people to the fact that hunger *is indeed* a national problem with long-term societal implications. Our research showed that most people are aware of *homelessness*, but they believe that hunger is primarily an international problem, most critical in places like Somalia or Ethiopia;
- 2 To show the public what American Express is doing to help in the fight against hunger;
- 3 To raise public awareness of the vital work Share Our Strength does, and the leadership role they play in fighting hunger;
- 4 To issue a "call to action" that would inspire people to use the American Express Card as a means of fighting hunger; and that would encourage merchants to willingly accept it; and
- 5 To inspire our employees and others to volunteer at hunger relief agencies on the grass-roots level.

To get our messages out, we developed compelling national television, print and radio advertising featuring Billy Shore, the founder and executive director of Share Our Strength. There had never been national television advertising addressing the issue of hunger in America, and particularly not during the Super Bowl, or the Macy's Thanksgiving Day Parade -- when millions of Americans are gathered with friends and family and closely watching their televisions. Also, Stevie Wonder joined the Charge last Thanksgiving by personally donating \$50,000 to the effort, and by composing a song and singing it in a Charge Against Hunger television ad.

To promote the program in merchant establishments that accept the Card, we also produced direct mail and point of purchase materials, such as window decals and counter cards. And, to extend our messages even further, we launched a national public relations campaign which also is helping raise awareness about the issue of hunger and encouraging more people to join the fight.

On November 1, Hillary Rodham Clinton helped launch the 1994 Charge Against Hunger campaign by joining us at the Benning Elementary School here in Washington, D.C., at a special event calling attention to childhood hunger and the need for all children to have access to a nutritious school breakfast. Spike Lee, Kathleen Turner, Rosie O'Donnell and Edward James Olmos pitched in too, by attending other kick-off events around the country. That kind of visibility for the issue of hunger in America -- and particularly childhood hunger -- has simply been unheard of until now.

Right now, we're nearing the end of our second Charge Against Hunger holiday campaign that began on November 1 and will continue through December 31 of this year. Every time the American Express Card is used, we are donating three cents to Share Our Strength, up to \$5 million dollars. The success of this far-reaching effort has been a source of pride to all involved. And we hope that other major American corporations will follow our lead in working to create partnerships such as ours.

In 1994, much more than \$5 million will actually be raised, thanks to the partnerships we have formed with merchants across the country. This is probably the most exciting part of Charge Against Hunger -- the reaction of businesses across the country who have "joined the Charge." I'd like to give you just a few examples:

- Kmart is donating five cents every time the American Express Card is used in any one of their stores. This effort began on November 27 and will run through the end of the year. In 1993, Kmart raised and donated \$250,000 to the Charge.
- The Melville Corporation, which includes CVS, Marshall's, Thom McAn, Kay Bee Toy Stores and other regional retailers, is matching our three-cent donation every time the Card is used, from November 1 through the end of the year.

- Madison Square Garden is matching our three-cent donation every time the Card is used to purchase tickets for Garden events in December, as well as airing in-stadium announcements about the Charge Against Hunger and setting up a booth to collect cans of food during December.
- During that same period, Restaurants Unlimited is donating nine cents per transaction at 24 restaurants in six states.
- And, the National Football League, another one of our partners, hosted canned food drives at games in November and December, and donated more than 120,000 cans to local food pantries in the cities that are home to the Cincinnati Bengals, Houston Oilers, Buffalo Bills and seven other teams.

Hundreds of other merchants who are holding in-store events and helping to raise money and awareness, deserve to be commended -- for their commitments to their communities, and for their determination in this life-threatening battle.

Charge Against Hunger's Impact

Last year, our first year of the Charge Against Hunger campaign, American Express raised \$5.3 million dollars, which Share Our Strength distributed in the form of 250 grants, ranging from \$1,000 to \$305,000, to grass-roots hunger-relief organizations. The impact of those grants was tremendous, both in terms of direct-service feeding programs and long-term hunger prevention and education.

Nearly \$2 million was donated to 200 schools and 32 advocacy groups, to promote the expansion of school breakfast and summer food programs. *Nearly 400,000 more children now receive breakfast at school as a direct result of Charge Against Hunger.* Recipients ranged from statewide advocacy groups -- such as California Food Policy Advocates in San Francisco, which used its 1993 Charge Against Hunger grant to provide technical assistance to schools interested

in starting school breakfast programs -- to individual schools. For example, a \$10,000 grant was given to the Nathan R. Goldblatt Elementary School in Chicago, where 90 percent of their 700 students are eligible for free or reduced breakfast, yet only 15 percent participate each day.

Mr. Bill Bolling, Executive Director of Atlanta Community Food Bank, reported that thanks to the grant that his group received, legislation was passed in Georgia that mandates all elementary schools to offer school breakfast to all kids who qualify. Now, the advocacy group will help the schools apply for the Federal program, and teach them how to operate it efficiently.

Among our 1993 grants were 30 Prepared and Perishable Food Recovery Programs, which received a total of \$345,000, enabling them to collect donations of surplus food that would otherwise go to waste, and distribute it to people in need. The Inter-Faith Food Shuttle in Raleigh, North Carolina applied its grant to the purchase of a refrigerated truck, enabling thousands of pounds of chicken to be rescued from local and regional Hardee's restaurants, so that local soup kitchens can serve nutritious, protein-rich meals each day. *A total of four million pounds of food has been rescued nationwide, thanks to Charge Against Hunger.*

Those grants are examples of direct-service programs that provide food on a daily basis to people who need it. But when that food is gone -- or the money for that food dries up -- then what? That's where long-term solutions are needed. Charge Against Hunger allocates hundreds of thousands of dollars for long-term, preventative programs that are often passed over.

For example, SOS has identified "Growth and Development" or "Failure to Thrive" clinics as one of the best ways to address childhood hunger and malnourishment. These organizations offer a way to break the hunger cycle for an entire family. *Our donation of just \$315,000 to 12 of these clinics is helping thousands of families.* Doctors refer mothers and their children to these clinics once they have been identified as "at risk of normal growth and development." The children receive the medical care that they need, while parents receive education on budgeting, nutrition, bags of groceries from the food pantry and even in-home counseling.

Dr. Deborah Frank of Boston Children's Hospital, who is a pioneer in the Failure to Thrive field, wrote the following in a letter: "Without the generous donation from American Express and SOS, our program would have been forced to reduce services drastically. We are faced with an increase in referrals and a decrease in funding. "

Super Pantry programs are another innovative hunger-fighting strategy that we have funded. These multi-service agencies -- such as the St. Vincent de Paul Food Train in Portland, Oregon, which received \$20,000 -- teach nutrition classes, food preparation, budgeting and other life skills so that families can become more self-reliant. *American Express has donated \$180,000 to 11 such programs across the country.*

Finally, Charge Against Hunger provided grants to several unique programs -- models for the future of hunger relief. The Heifer Project in Little Rock, Arkansas provides livestock to impoverished families to help them sustain themselves and, eventually, their communities. We also funded several "gleaning programs" such as the Second Harvest Food Bank in Orlando which distributes fruits and vegetables grown in central Florida to all the food banks in the state.

Charge Against Hunger's impact is well documented and strongly supported, not only by the hunger-relief community, but also by our merchants and our Cardmembers. As far as we are concerned, this makes Charge Against Hunger an unqualified success. Essentially, doing good *is* good business, and we don't mind saying so. Our contribution of \$10 million over two years clearly shows we are sincere in our efforts, and that we are indeed delivering on our promise to be good corporate citizens. And in return, our customers show their support: Cardmembers use the Card, and merchants are pleased to accept it -- which brings me to the conclusion of my remarks today.

We'd like to see more businesses and more individuals join the fight against hunger -- not only large corporations and their employees, but also independent merchants and individuals in communities across the country -- donating their time, their talents, and whatever resources they

have to help assure that every man, woman and child in this country has enough to eat. That's the spirit of Charge Against Hunger.

Putting an end to hunger in America has to be a collective commitment -- on the part of individuals, businesses, non-profits and government -- all working together. At American Express, we believe that Charge Against Hunger sets an excellent example that can serve as a model for the corporate community and leading non-profit corporations, to join together to combat many of the problems that effect our country today.

Thank you Mr. Chairman, for inviting me to speak to the Subcommittee today. I'd be happy to answer any questions which you and other members may have.

NATIONAL SENIOR CITIZENS LAW CENTER

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BURTON D. FRETZ
EXECUTIVE DIRECTOR

TESTIMONY OF BURTON D. FRETZ

NATIONAL SENIOR CITIZENS LAW CENTER

before the
Committee on Small Business,
Subcommittee on Regulation,
Business Opportunities and Technology
of the
United States House of Representatives

Washington, D.C.

December 21, 1994

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me to testify. The National Senior Citizens Law Center is a national support center extending assistance to legal services advocates and private attorneys in the representation of more than 3,000 cases each year. We maintain an active litigation case load, and concentrate on issues having direct impact on the elderly poor. I want to address:

(1) hunger among the nation's low-income older individuals; (2) more effective use of federal food programs; and (3) proposals to alter federal food programs into block grants to states.

1 Hunger and the Elderly Poor

Hunger, malnutrition or undernutrition among the elderly is a growing national concern. The Urban Institute reported last year that between 2.5 million and 4.9 million older Americans experience food insecurity in a six-month period.¹ "Food insecurity" is defined as the condition resulting when an individual cannot always buy enough food or reach a market or food program and, in the case of an elderly person, one who cannot gain access to food which is available.

A few vignettes describe the difficulties many older people face in meeting their nutritional needs:

Mrs. C. lives in Central Michigan, has multiple sclerosis and is confined to a wheelchair. She is wholly dependent on Social Security disability benefits for herself and her family. At the end of each month she finds she must choose between spending funds for food or for prescription medicine.

* * *

Mr. H. lives in rural Iowa. He is totally disabled and is fully qualified to receive food stamps. He lost food stamps at least twice last year because his disability renders him too weak to concentrate enough to complete the required forms such as the application and monthly requests for verification.

¹ Martha Burt, Hunger Among the Elderly: Local and National Comparisons, The Urban Institute (Nov. 1993) xii.

* * *

Mrs. F. is a 69 year old woman diagnosed with cancer, asthma/bronchitis, and arthritis. She lives alone in North Texas. Her only income is from Social Security benefits. Although she received food stamps early in 1994, the state cut off food stamps to Mrs. F. when she was temporarily away caring for her 103-year old invalid mother.

These are not unusual cases. Studies document the extent of elderly malnutrition. The Harvard University School of Public Health has shown how economic conditions prevent the poor from eating adequately, and how the effects of malnutrition are compounded by particular dietary needs of elderly people.² A 1987 national low-income survey by the Food Research and Action Center found that 18 percent of older respondents said they did not have enough money to buy the food they need and that 35 percent usually ate fewer than three meals each day.³ This brings stark consequences for the health of older Americans:

- * 8 of 10 leading causes of death relate to diet and nutrition;
- * 85 percent of seniors have a nutrition-related condition or illness;
- * 63 percent of people served by home health agencies require intensive nutritional care or therapeutic or modified diets.⁴

Yet, federal food programs which might help remedy this dire situation go strikingly underused:

- * Only one in three eligible people uses congregate meals;
- * only one in ten uses home-delivered meals; and
- * one in four eligible individuals uses food stamps.⁵

² Hunger in America: The Growing Epidemic, Physician Task Force on Hunger in America, Harvard University School of Public Health (1985) 67.

³ National Survey of Nutritional Risks Among the Elderly, Food Research and Action Center (1987) 7-2, 7-3.

⁴ Id. at 60-71.

⁵ Ibid.

Earlier statistical studies also supply data on participation demographics.⁶ A 1990 General Accounting Office (GAO) report quantified nonparticipation factors in the food stamp program.⁷ The GAO noted the most common reasons given for nonparticipation by older people include lack of information, mistaken information, and administrative barriers such as office hours and location, transportation, and complex application forms.

2. Improving Federal Food Programs.

There are numerous ways to improve federal food programs without creating significant additional expense, in a way that will better serve elderly individuals who are intended beneficiaries. The most important way, however, is simply to ensure that federal agencies carry out existing statutory procedures. We can offer two examples:

The first example is the saga of the medical expense deduction under the Food Stamp Act. The Act permits elderly and disabled households to deduct from their monthly household income non-reimbursed medical expenses over \$35 for purposes of determining eligibility and allotment levels; Congress' rationale for this is that money spent for health care is not available for food. Because verification of medical expenses month after month is burdensome on households and on state agencies, Congress in 1988 and again 1990 simplified the medical expense calculation for elderly and disabled individuals. Under this system, for example, a food stamp recipient at the time of initial application would verify a health condition for which costs monthly average around \$100; the food stamp agency then would allow the recipient a deduction based on this amount and the recipient would not have to reverify these expenses each month. The Department of Agriculture was required by the Act to issue regulations implementing this change effective October 1, 1991. The Department refused to issue regulations and -- after much negotiations and a law suit--the Department finally issued the rule in October 1994. States still are not making the changes even today, and implementation remains a matter of litigation.

⁶ Richard C. Coe, A Longitudinal Analysis of Nonparticipation in the Food Stamp Program By Eligible Households, (Institute for Research on Poverty, University of Wisconsin-Madison, Madison, Wisconsin, March 1985); Lois Blanchard, et al., Final Report, Food Stamp SSI/Elderly Cashout Demonstration Evaluation, prepared by Mathematical Policy Research, Inc., for the Food and Nutrition Service, (U.S. Department of Agriculture, Washington, D.C., June 1982).

⁷ U.S. General Accounting Office, Food Stamp Program: A Demographic Analysis of Participation and Non Participation, GAO/PEMD-90-8 (U.S. General Accounting Office, Washington, D.C., January 1990).

A second example is the Food Stamp Act's requirement that local Social Security offices inform and assist households applying for or receiving Supplemental Security Income (SSI) to apply for food stamps at the Social Security office. This procedure would allow "one-stop shopping" for frail elderly individuals who otherwise might have trouble negotiating the long lines and complicated forms at the food stamp office. SSA, however, has never properly implemented this one-stop procedure.

When utilized effectively, a host of federal programs can advance food security across age and income lines. These include the Federal Food Stamp Program, Older Americans Act congregate and home-delivered meals, the Temporary Emergency Food Assistance Program ("Commodities"), the Community Supplemental Food ("Grocery Bag") Program, the Child and Adult Care Food Program ("Day Care Meals") and, for multi-generational households, the Women's Infants' and Children's ("WIC") programs. Analysis of these programs is needed to strengthen each program internally and to examine ways for more effective interprogram operations and outreach. Ten areas warrant exploration for more effective operation:

- * Establishing school-based networks of children living with grandparents to bring food resource information regarding WIC and other programs into multi-generational households.
- * Encouraging state food stamp outreach to elderly individuals with available but underused funding.
- * Integrating the Temporary Emergency Food Assistance Program ("Commodities" or TEFAP) and Older Americans Act (OAA) meals projects to supply older individuals with commodities more directly.
- * Giving states greater flexibility over unused funds in the Community Supplemental Food ("Grocery Bag") Program.
- * Expanding use of the Child and Adult Care Food Program in adult day care centers by easing recordkeeping and eligibility determination requirements.
- * Targeting and publicizing existing OAA transportation networks to help older individuals apply for food stamps and do grocery shopping.
- * Implementing the goal of higher minority participation in congregate meals through culturally appropriate sites and diets.
- * Establishing food banks with religious and civic groups and providing them assistance in becoming certified to accept food stamps.
- * Improving food stamp help for SSI households in Social Security offices.
- * Training volunteers to assist staff of area agencies on aging, legal assistance providers and other service organizations to provide food resource outreach and information.

3. Block Grants of Federal Food Programs.

The House leadership proposes to eliminate federal nutrition programs and to substitute a single payment to the States. Specifically, the block grant proposal would eliminate key federal food programs affecting seniors including the food stamp program, the home-delivered meals program ("Meals on Wheels"), the Congregate Meals program, and the Child and Adult Care Food program. As we understand it, these proposals would require the Department of Agriculture to make food stamps funds available to States, but would not require the States to spend their block grant money in this way. The Food Research and Action Center estimates that enactment of the proposal would immediately reduce federal dollars going to the states for food purchases and food stamps in related programs by \$3.5 billion through the loss of entitlement status.

Research by the Department of Agriculture shows a direct relationship between increases in food stamp benefits and consumption of nutrients. Department literature shows that nutrients in home food supplies increase 20-40 percent by food stamp use. The program, moreover, is important to the elderly: 1.6 million elderly households receive food stamps; one in six of all food stamp households contain at least one elderly member. Block grants would devastate efforts to address hunger and malnutrition among low-income elderly people. The Food Stamp program is the first line of defense. That defense will be badly weakened by removal of entitlement status, capping funding available, and shifting responsibility to States.

Equally important are Older Americans Act programs. Meals on Wheels is vital for frail elderly people to remain in their own homes and stay out of institutions. Losing this program would create pressures for those now served to enter nursing facilities at a much greater cost to the federal government.

Elderly hunger and malnutrition are a serious problem. Federal food programs address this challenge well. They can become more effective at very little cost. To dismantle these programs would exacerbate the problem rather than solve it.



Eleanor M. Josaitis
Associate Director -- Focus: HOPE

United States House of Representatives
Committee on Small Business
Subcommittee on Regulation, Business Opportunities, and Technology

Congressman Ron Wyden, Chairman

Focus: HOPE, a civil and human rights organization, was founded in 1967 in the aftermath of the Detroit riots. We have worked for 26 years to ensure that people not only are provided with adequate nutrition but have access to the financial mainstream as well.

Our mission statement, adopted March 8, 1968, is still the same today.

Recognizing the dignity and beauty of every person, we pledge intelligent and practical action to overcome racism, poverty and injustice. And to build a metropolitan community where all people may live in freedom, harmony, trust and affection. Black and white, yellow, brown and red from Detroit and its suburbs, of every economic status, national origin and religious persuasion, we join in this covenant.

In 1971, Focus: HOPE founded the nation's first federal food supplementation effort for low-income mothers and children: The Commodity Supplemental Food Program (CSFP). At that time, scientists and doctors were telling us that babies lost significant brain power if deprived of proper nutrition in their early years. To us, practical action meant making sure that mothers and children receive proper nutrition.

During that first year, we provided food for 3,500 low-income mothers, babies and preschoolers in Detroit. In the subsequent 24 years, that number has grown to 41,000 (monthly) and the CSFP has expanded to 63 sites in 19 states. In 1981, low-income senior citizens were added to the CSFP. Focus: HOPE currently provides food for 33,000 seniors in Metropolitan Detroit. Nationally, the CSFP now provides a nutritious food package to over 195,000 mothers and children and 197,000 senior citizens each month-- all for less than 94.5 million dollars per year.

CSFP States
Arizona
California
Colorado
District of Columbia
Illinois
Iowa
Kansas
Louisiana
Michigan
Minnesota
Nebraska
New Hampshire
New Mexico
New York
North Carolina
Oregon
South Dakota
Tennessee

- Detroit Diesel has donated two tractor-trailers with which we can transport food from our warehouse to our food centers.
- Michigan National Bank purchased a van for transporting senior citizens to the food centers to pick up their food package.

While corporate involvement is vital, we believe that the problems in Detroit and elsewhere are best solved by a partnership between non-profit organizations, the business community and the Federal government.

Creative and Practical Solutions

Because the CSFP is concentrated in the community, the program responds to a number of problems which low-income populations face, including:

- Limited Shopping Choices in Low-Income Areas. The CSFP serves urban and rural areas where there is often a lack of choice for grocery shopping. Smaller convenience stores which are more expensive and have substantially less choice among items predominate in these areas. For senior citizens with little or no mobility, the problem of accessing competitive supermarkets is even more severe.
- Lack of Security--Especially for Senior Citizens. Lack of security is a source of great anxiety for the elderly poor person. Senior citizens are an easy target when carrying food stamps, social security checks or cash. The CSFP is the only program to put food directly into their pantries and refrigerators.
- Lack of Access to the Financial Mainstream. Focus: HOPE works diligently to ensure that everybody who needs food receives it. We work with equal passion, however, to ensure that people can learn, grow and provide for themselves and their families through job referral and training. Focus: HOPE in particular has grown to include three training programs, four for-profit companies and a state-of-the-art Montessori pre-school and day care center.

Conclusion

Through the USDA's purchasing power and the extensive use of volunteer resources, the CSFP provides food to people at a fraction of the cost of other programs. In the coming debate over welfare programs, we hope that the CSFP operators will be recognized as good stewards of the tax dollar for providing food in the least expensive way possible.

Focus: HOPE has provided services to the people of our community for 26 years. We have tried to provide real opportunities for people to lift themselves out of poverty: adequate nutrition, employment, training and child care. We hope that the Congress and the Administration will look to us for guidance and we will be proud to work closely with you as the journey continues.

Participants come to centrally located food distribution sites which are set up like grocery stores. There is choice among items and nutrition education videos and food preparation demonstrations run regularly. For seniors who lack transportation or those that are homebound, volunteers will provide transportation or deliver food packages. Available foods include rice, pasta, corn meal, black-eyed peas, orange, tomato and apple juices, peanut butter, tuna fish, pork, beef, poultry, fruit cocktail, pears, butter, carrots, sweet peas, tomatoes, cereal, pinto beans, evaporated and dried milk and infant formula. (Please see Attachment II for food package descriptions.)

The USDA recently removed cheese from the items available for participants. This action removes a substantial source of calories and protein from the food package. It also robs participants of an item which can substantially stretch their food budget. For senior citizens, especially, cheese allows them to gain important calories and protein with minimal effort.

For mothers and children, the monthly food supplements ensure proper nutrition. CSFP ensures nutritional health during the years most critical for intellectual and physical development, from gestation through six years of age, when they are ready to start school. For senior citizens, proper nutrition prevents or mitigates a host of chronic illnesses related to malnutrition including diabetes, high blood pressure and early senility.

The CSFP has been able to provide nutrition, inexpensively for so long because: (1) The CSFP utilizes the buying power of the USDA to purchase nutritious commodities at less than half the cost of equivalent retail products; (2) The CSFP harnesses the spirit and energy of thousands of volunteers who deliver and package food, work in our food centers, and provide companionship to senior recipients; and, (3) The CSFP was born and developed primarily by community based organizations where individuals worked directly with vulnerable populations and were able to address their needs creatively and practically.

A Cost-Effective Approach

The CSFP represents a radical departure from other food assistance programs serving these populations. Food stamps and the Special Supplemental Food Program for Women, Infants and Children (WIC) obtain and supply foods through the local retail market. The unavailability of competitive chain supermarkets combined with local retail store mark-up in poor areas make this method relatively expensive.

The Department of Agriculture purchases food products nationally for the CSFP. The large quantity of goods combined with the elimination of middle-man markups achieves cost savings of 50% or more. Focus: HOPE recently conducted a nationwide price survey (see Attachment I) comparing the cost of USDA-purchased CSFP commodities with their retail store equivalents, and found:

- Nationwide, the average CSFP food package costs \$22.93 when purchased by the USDA compared with \$60.64 in larger grocery stores and \$65.19 in convenience stores. The retail price of the average CSFP supplement was \$37.71 higher in larger grocery stores and \$42.26 higher in convenience stores in typical CSFP neighborhoods.
- For infants 0-3 months, the CSFP food package costs \$14.09 from the USDA, \$75.92 from larger grocery stores and \$85.99 from convenience stores. For infants 4-12 months, the USDA cost of \$17.96 per CSFP package compared with \$84.34 at larger grocery stores and \$94.94 at convenience stores.

In larger terms, *these cost savings allow us to serve hundreds of thousands of people in the most economical manner available.* In April of 1994, the 352,000 people who were served by CSFP were provided with almost 19 million dollars worth of retail nutritional assistance for just over 8 million dollars.

Volunteerism

Focus: HOPE and the Commodity Supplemental Food Program can attribute a large part of their success to the hard work and dedication of thousands of volunteers. Focus: HOPE, in fact, was established as a volunteer organization bringing individuals from all walks of life to help resolve problems of racism and injustice.

The Commodity Supplemental Food Program fulfills this mission by involving everyone in the relief of poverty, hunger and malnutrition. Volunteers for the food program deliver food to homebound seniors, provide transportation for those unable to make it into the food centers, pre-pack boxes, paint and repair the food centers, read to young children who are waiting for their parents to shop, and make other valuable contributions to the program. Each month volunteers work thousands of hours, just at Focus: HOPE alone.

- Each month, Ameritech sends approximately 40 employees in company vans to our Central Warehouse to deliver to 160 homebound seniors
- John Sennett, President of Sennett Steel, delivers food with his employees to 80 homebound seniors every month.
- Lloyd Reuss, former President of General Motors volunteers three days per week as the Executive Dean for our Center for Advanced Technologies.

The extent of Corporate involvement and donations has been similarly impressive.

- National Bank of Detroit, in 1975, donated the building which houses our Westside Food Center.
- Pulte Realty, in 1981, paid for and donated a central warehouse from which we coordinate the distribution of millions of pounds of food.

Commodity Supplemental Food Program

Results of the 1994 National Price Survey

A survey comparing the costs of USDA-purchased
CSFP commodities with their retail equivalents.

Backgrounds and Methods

Background

For the past two decades, Focus: HOPE and others have periodically conducted local price surveys to ascertain the relative cost of USDA-purchased commodities used in the CSFP and the equivalent products purchased at local retail stores. The reasons for the surveys have been many, but one stands out:

- To measure the cost savings of the Commodity Supplemental Food Program as compared to other food assistance programs, such as food stamps and the Special Supplemental Food Program for Women, Infants and Children (WIC), which obtain and supply foods through the local retail market.

Methodology

Previous surveys indicated a large discrepancy between the costs associated with USDA products and their retail equivalents. These surveys, however, had small sample sizes (usually two or three stores) and localized focus. In order to correct for these limitations, the present survey was:

- conducted nationwide in five states: California, Louisiana, Michigan, New Mexico, and New York, in order to account for regional differences.
- conducted in urban and rural areas, in order to account for demographic differences.
- conducted in sixteen stores nationwide to reduce the possibility that an unusually high- or low-cost store would distort the results. Stores in each community were carefully selected in order to accurately reflect the actual shopping choices available to CSFP participants.

Each survey was conducted according to certain rules:

- For every product, the lowest price available was taken.
- When USDA/specific sizes were not available, unit prices were taken (per oz. or per lb.) and converted to the necessary size.

Timeframe

Retail prices were taken almost exclusively in the month of October. USDA prices were furnished by the State of Michigan, November 8, 1994.

Results

The price survey revealed two major findings: (1) significant price differences exist between USDA purchased commodities and their retail equivalents; (2) infant formula is the largest contributor to this price difference.

- Nationwide, the average CSFP food package costs \$60.64 in larger grocery stores and \$65.19 in convenience stores compared with \$22.93 when purchased by the USDA. The retail price of the average CSFP supplement was \$37.71 higher in larger grocery stores and \$42.26 higher in convenience stores.
- For infants 0-3 months, the CSFP food package costs \$14.09 from the USDA, \$75.92 from larger grocery stores and \$85.99 from convenience stores. For infants 4-12 months, the USDA cost of \$17.96 per CSFP package compared with \$84.34 at larger grocery stores and \$94.94 at convenience stores.

For all other categories, the cost difference is significant. For example, the difference for standard senior CSFP food packages is \$27.18 higher in larger grocery stores and \$28.94 higher in convenience stores compared with the USDA cost of \$22.79. Overall, retail packages ranged from 203% higher (Child 13-36 months--Major Grocery Store) to 610% higher (Infant 0-3 months--Convenience Stores.) when compared with USDA prices.

Although not reflected in the numbers, there was also more limited choice in goods available to these populations. Many goods, especially meats, were not available in all the stores. The lack of choice combined with the higher prices further handicaps shoppers in these neighborhoods. In Detroit, as elsewhere, there are relatively few chain grocery stores. Many residents must depend on so-called "convenience" stores which cost more and have much more limited choices.

The results of this survey indicate that, for the population served by the CSFP, this method of food assistance is cost-effective. The savings in infant formula alone, are overwhelming.

	USDA	Major Grocery Chain	Major Grocery Markup	Corner Store	Corner Store Markup
Senior Standard	\$ 22.79	\$ 49.97	219%	\$ 51.73	227%
Senior Low Sodium	\$ 22.73	\$ 49.68	219%	\$ 50.75	223%
Infant (0-3 Months)	\$ 14.09	\$ 75.92	539%	\$ 85.99	610%
Infant (4-12 Months)	\$ 17.96	\$ 84.34	470%	\$ 94.94	529%
Child (13-36 Months)	\$ 29.22	\$ 59.43	203%	\$ 65.26	223%
Child (3-5 Years)	\$ 25.00	\$ 54.39	218%	\$ 56.56	226%
Woman (BF)	\$ 28.89	\$ 61.44	213%	\$ 64.54	223%
Woman (Non-BF/Post-P)	\$ 22.79	\$ 49.97	219%	\$ 51.73	227%

Commodity Supplemental Food Program

Description of Food Packages

COMMODITY SUPPLEMENTAL FOOD PROGRAM
Monthly Food Packages
Infants



Quantity per Infant

	<u>Infants 0-3 Months</u>	<u>Infants 3-12 Months</u>
Infant Formula	31	31
Infant Rice Cereal	0	4
Juice	0	2

COMMODITY SUPPLEMENTAL FOOD PROGRAM
Monthly Food Packages
Mothers, Children and Senior Citizens



Quantity per Person

	<u>Children</u> <u>12-24 Months</u>	<u>Children</u> <u>3-5 Years</u>	<u>Pregnant /</u> <u>Breastfeeding Woman</u>	<u>Non-Breastfeeding</u> <u>Woman /Senior Citizen</u>
Evaporated Milk	32	5	11	3
Instant Milk	0	1	1	1
Juice	5	5	5	3
Fruit	4	2	4	2
Vegetables	4	2	4	2
Meat	1	1	1	1
Butter	2	2	2	2
Commeal	1	1	1	1
Egg Mix	2	2	2	2
Rice	1	1	1	1
Cereal	2	2	2	2
Peanut Butter	1	1	1	1
Honey	1	1	1	1

TESTIMONY OF MARY ANN KEEFFE
DEPUTY ADMINISTRATOR, SPECIAL NUTRITION PROGRAMS
FOOD AND CONSUMER SERVICE
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
SUBCOMMITTEE ON REGULATION,
BUSINESS OPPORTUNITIES, AND TECHNOLOGY
COMMITTEE ON SMALL BUSINESS
U.S. HOUSE OF REPRESENTATIVES
DECEMBER 21, 1994

Mr. Chairman, thank you for your invitation to appear today to discuss the role played by the U.S. Department of Agriculture in contributing to the nutritional well-being of older Americans. I am pleased to be a part of this hearing and will describe our efforts in this important area.

Today, our focus at this hearing is on the elderly who live near or below the poverty line. Among the elderly poor who participate in USDA programs are a disproportionate share of women, minorities, those who live alone, or are in poor or marginal health and who need help with one or more activities of daily living, and the very aged who are 85 years and older. This is a very diverse group and there is no one clear strategy for meeting their food needs. Consequently, there are a number of programs available to serve these households. While the information is

not comprehensive, our review of current studies indicates that USDA food assistance programs do make a difference in increasing purchasing power, and higher nutrient intakes and better diets for those elderly who need the Federal food programs. Further, our programs help sustain the elderly in their communities and provide them with daily social contacts so vital to maintaining independent living.

In our country, hunger and food insecurity--inadequate access to food sufficient to sustain a healthy, active life--are manifest in a variety of forms: running out of food, skipping meals, or anxiety about where the next meal will come from.

The Food and Consumer Service (FCS) is charged with providing access to a healthful diet to needy Americans through its food assistance programs and nutrition education efforts. Through a number of programs, FCS provides food assistance to almost 1 in 5 persons in the United States, with annual expenditures of \$40 billion.

But poverty persists, and hunger is still a problem: the Urban Institute recently reported that 1.2 percent of the elderly, 387,000 persons aged 65 and over, said that they were hungry in the month that they were interviewed.

This is a serious problem because of the critical link between diet and health.

Nutritional problems that affect the elderly range from nutritional deficiencies to nutrient excesses. Recent reviews of the scientific literature identify obesity, high cholesterol, hypertension, and limited income for food as widespread diet-related problems with well-established adverse health and social consequences. Calcium and Vitamins D, B6, and B12 are the micronutrients most commonly deficient from the diets of the elderly. These types of dietary deficiencies and poor dietary patterns not only affect the incidence of cardiovascular disease, hypertension and obesity, but can also lead to some forms of cancer, osteoporosis, diabetes, alcoholism and dental problems. Inappropriate diet can also contribute to the dysfunction and disability associated with many chronic conditions common among older people. Poor nutrition may also result in fractures, dental disease, physical inactivity, depression, social isolation, and sensory loss.

To combat these problems caused by hunger and poor nutrition among low-income populations, including the elderly, there are USDA programs to provide access to food assistance:

The Food Stamp Program is our country's primary defense against hunger for people of all ages. Currently, about 17 percent of the 11 million households participating in the program have one or more elderly members. Needy households with elderly members receive about \$1.4 billion worth of food stamp benefits a

year. Further, the Food Stamp Act contains many special eligibility and benefit provisions to provide greater assistance to elderly and disabled households than other households.

Under the Nutrition Program for the Elderly (NPE), USDA will subsidize 244 million meals in Fiscal Year 1995. Through NPE, USDA provides primarily cash, but also commodity assistance, valued at about 60 cents per meal in addition to the Department of Health and Human Services' grants for meals served under the Older Americans Act programs. Primary responsibility for the Older Americans Act rests with the Department of Health and Human Service's Administration on Aging. USDA's role is to supplement the DHHS grants with additional funding for meals and some additional commodities. USDA's portion of NPE is funded at a level of \$150 million in Fiscal Year 1995. NPE provides congregate meals, Meals on Wheels, and a wide range of social activities, which are so important for so many seniors' quality of life.

Under the Emergency Food Assistance Program (TEFAP) food banks and food pantries deliver USDA commodities and food from private donations to the needy, including senior citizens. The Administration is pleased to work in partnership with states and local agencies and is committed to keep this vital pipeline open.

The Commodity Supplemental Food Program (CSFP) supplements the diets of the elderly in 18 states. The commodities provided through the program will serve approximately 200,000 elderly individuals in FY 1995. The seniors use the foods to supplement their own money, the Food Stamp Program, or other resources. The authorized commodities include cereal, canned juice, evaporated or nonfat dry milk, canned vegetables or fruits, canned meat or poultry or tuna, egg mix, dehydrated potatoes, rice or pasta and peanut butter or dry beans.

Another FCS program that provides assistance to a segment of the elderly population is the Child and Adult Care Food Program. This program gives Federal funds and USDA donated foods to child care and eligible adult day care facilities to serve nutritious meals and snacks. An adult day care center is any public or private nonprofit organization, or any proprietary Title XIX or Title XX center which is licensed or approved by Federal, state or local authorities to provide non-residential adult day care services to functionally impaired adults (including victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction) or persons 60 years of age in a group setting outside of their home on less than a 24-hour basis. In Fiscal Year 1994, there were 1,338 sites with an average daily attendance of over 38,000 elderly individuals.

Even the National School Lunch Program provides assistance to the elderly. Amendments to the Child Nutrition Program authorized local school food service authorities, at their option, to use the facilities, equipment and personnel subsidized with National School Lunch Program funds to support nonprofit nutrition programs for the elderly.

Despite this comprehensive network of assistance, pockets of hunger still exist. In order to identify these gaps, we are, for the first time, attempting to measure hunger and food security in the United States population.

Early in 1994, we convened a Conference on Food Security Measurement and Research. We are now preparing to place hunger and food security questions as a supplement to the April 1995 Current Population Survey (CPS), a nationwide survey of about 60,000 households administered by the Bureau of the Census. We are working with Federal, state and local organizations to use these standard questions in other specialized and small-scale surveys.

Most of USDA's food assistance is provided by FCS through state agencies and local governmental organizations. The large, ongoing food assistance programs, such as the Food Stamp Program, are the mission of FCS. The more

structured and complex food assistance programs are administered either exclusively or largely by governmental entities at all levels. However, in the distribution of food through food banks, soup kitchens, during disasters, or in emergency food situations, we rely heavily on the non-profit community and other private efforts. I would like to take a few moments to talk about some of the private and public cooperative efforts to deal with hunger.

Clearly, the success of recent private donation efforts has been greater than anyone could have imagined. These efforts have provided relief to the working poor and others who for one reason or another did not or could not take advantage of USDA food programs. Private donations comprise a significant amount of the food that goes through food banks, pantries and soup kitchens. Without these private donations, the food bank network would not be viable. For this reason, this Administration encourages and supports private donations. In recent news stories, many food banks indicated that private donations have been declining in recent months. Throughout the past year, Under Secretary of Agriculture for Food, Nutrition, and Consumer Services Ellen Haas has met with food industry groups around the country to encourage the industry to continue food donations to private charities, to find ways to increase the amount of food being donated, and to make sure that the food donated makes a positive contribution to the nutrition and health of those who receive it.

Some of the other private organizations that have creatively addressed hunger issues include:

- Second Harvest, a national network of 184 food banks, serving all 50 states. These food banks distribute food to over 50,000 agencies such as soup kitchens, pantries, shelters and congregate feeding programs. While USDA has no direct ties with Second Harvest, we do allow TEFAP funds to be used to defray the costs of food distribution borne by member food banks. A recent Second Harvest study points out that 55.3 percent of the administrative funds available to organizations that participated in the study come from governmental sources. (It is interesting to note that the Second Harvest study itself was a partnership effort, as Kraft American Foods provided funding for the study.)

- Sisters of the Road Cafe, Inc., a non-profit organization located in Portland, Oregon, that operates with three goals 1) to be a safe public place for everyone; 2) to offer nourishing meals at little cost or in exchange for labor; and 3) to offer job training and employment experience to local residents.

The Hot Prepared Meals component furnishes several innovative avenues for diminishing hunger. All meals in the Cafe are available for a nominal cost in cash or in food stamps or in exchange for labor, or free of charge for those without

ability to pay who are unable to exchange labor due to age, health, or parenting responsibilities.

The organization also sells meal coupons to businesses and individuals as a positive way to respond to panhandlers. In lieu of cash the panhandler is offered a coupon to be exchanged for a nutritious meal and the donor is not concerned that the hand-out may be used to buy alcohol or drugs.

- Mickey Weiss, a Los Angeles area produce executive, has worked tirelessly to expand on his project to donate unsalable but wholesome fresh produce to the needy. He has found not only ways to get the food distributed but is working to transport his concepts to other cities and markets around the country.

- MAZON: A Jewish Response to Hunger, is an example of another grass-roots local organization that is finding ways to reach out to those in need. Some of the efforts include supplying food and equipment to food banks and church pantries, supporting low-income farmers' markets in the deep South, and funding home-delivered meals in rural America.

There are countless other organizations, such as the Hartford Food Systems in Connecticut; Feed the Children, from Oklahoma; and the Maryland Food

Committee, that provide their own unique contributions. They are there because there is a need. Other organizations work with public-spirited businesses to help fill in the gaps.

One of the most well-known (and largest) examples of public/private partnerships is Share Our Strength, whose executive director is Bill Shore. Mr. Shore has been able to work with such companies as Kraft American Foods and the American Express Company, to pioneer new ways to leverage private dollars to have greater impact. Many of us have seen the excellent American Express spots on television where the company donates a percentage of receipts to charity from transactions in which the American Express Card is used.

An innovative newcomer to the non-profit food assistance network is Breedlove Dehydrated Foods in Lubbock, Texas, a joint project of the South Plains Food Bank and Second Harvest. This plant, which was funded with private donations and which operates solely to benefit needy people, can process 28 million pounds of food a year--or enough food to create 30,000 meals each day.

I was privileged to represent the Department at the plant's opening ceremonies in October and have an opportunity to tour the impressive facility and sample the foods. Most of the fruits and vegetables the plant processes will be donated by area farmers. This means that the 20 percent of Texas produce

formerly left in the field after harvest will now help feed hungry people.

Dehydration reduces food weight--and shipping costs--and dramatically extends the shelf life of nutritious produce.

In closing my remarks, Mr. Chairman, I would note that for more than a half century, the Federal Government has had a vital role in providing better nutrition through food assistance programs. There is no question that this improved nutrition has resulted in better health for the Nation's low-income population. Over the years, Congress has made changes and modifications to tailor the food programs. In the coming year, we will again be debating the Federal role in providing food assistance to the needy. A key point is that the benefits that USDA food programs provide are nutrition and health-based, not simply a cash alternative. Ensuring access to an adequate diet is an investment in a healthy future. We must not lose sight of the important goal of providing for those, such as children and the elderly, who need a helping hand. Without such help, we as a society not only encourage lost human potential but also fuel skyrocketing health costs. Both taxpayers and program participants deserve the best food assistance programs that we can design, those that meet people's basic needs, provide proper nutrition, encourage self-sufficiency and are not wasteful of precious resources.

This concludes my testimony. I would be happy to answer any questions you may have.

HOUSE SMALL BUSINESS COMMITTEE,
SUBCOMMITTEE ON REGULATION, BUSINESS
OPPORTUNITIES, AND TECHNOLOGY

STATEMENT OF

WAYNE KOSTROSKI
CUISINE CONCEPTS
EDINA, MN

DECEMBER 21, 1994

Mr. Chairman and members of the subcommittee, thank you for inviting me here today.

My name is Wayne Kostroski. I'm a restaurateur who has been in the business 17 years. We operate Goodfellow's in Minneapolis, along with the Franklin Street Bakery, a wholesale operation that supplies Dayton's, Caribou Coffee, and other major Minnesota businesses. Just last week, we opened Tejas — our restaurant specializing in Southwestern cuisine — at a new location in a Minneapolis suburb. Until earlier this year, we also operated two restaurants in Dallas.

Like most in my business, I live and breathe restaurants. My passion leads me to the reason I'm here today: My industry's link to hunger relief. I'd like to talk about what I've been able to accomplish, working hand-in-hand with fellow restaurateurs, nonprofits and noted hunger relief organizations like Share Our Strength.

First, let me say that mine is only *one* restaurateur's story ... but you see it echoed all over the U.S. There are thousands of foodservice operators involved with national groups like Share Our Strength and Second Harvest, as well as with local food shelves and food banks. I and many of us in the hospitality industry believe we have a logical connection and a special sensitivity to the need of others for food. We know food inside out: how it's manufactured, how it's distributed, how it gets to the restaurant table, and even what should happen with food that is not consumed at the table. Increasingly, we're taking on a more significant role in making sure it gets to the people who need it.

I've been active with Share Our Strength since the late 1980s, and currently serve on its national board. In 1988, I headed up the first Taste of the Nation for Minneapolis-St. Paul. Since then, the Twin Cities event has become one of Share Our Strength's flagship fundraisers. In 1988 we started with 20 restaurants participating, 700 attendees, and raised \$16,000. The total jumped to over \$140,000 last year, when we had a sold-out event organized by hundreds of volunteers and attended by more than 2,500 people. In Minnesota alone, we've raised over \$700,000 since 1988 through Share Our Strength's Taste of the Nation.

Sponsored nationally by American Express, Taste of the Nation has gone from a 20-city event in 1988, which raised \$250,000, to an event that in 1994 was in over 100 cities and that raised more than \$4 million — bringing our seven-year total to over \$14 million. I'm proud of what we've done, because 100% of the money we raise goes directly to recipients through Share Our Strength.

This simple concept has spawned many new ideas as well. For example, when the Super Bowl came to Minneapolis in 1992, I started a new event called the Taste of the NFL. We bring top chefs from each of the NFL cities, pair them with alumni players, and give people the chance to sample the best of the restaurant industry and mingle with former NFL greats all at once. Today, many say it's the second-hottest ticket at the Super Bowl. USA Today said the event "may have outshone the Commissioner's party" last year. We did it in Los Angeles in 1993, Atlanta in 1994 and are now sold out for Miami in January 1995. We set our sights high and have met with great success thus far: Last year we raised over \$192,000 in one night. Through our 501(c)(3) volunteer organization, Hunger Related Events, in just three years we've raised more than

\$300,000. One hundred percent of the ticket price goes to local and national hunger organizations. So far we've helped Foodchain in Atlanta, Florida's Daily Bread Food Bank, the United Way, Second Harvest, and the End Hunger Network, to mention a few. And the list grows.

But it's not just about money. It's about awareness and the willingness to develop a passion to really influence a change in another person's life. Contributing is not about trying to do everything yourself for all of someone's needs. It is about simply about lending a hand when you can.

Think small, but act effectively. And act creatively.

Restaurateurs have a ton of knowledge and expertise that's free. For example, Share Our Strength's Operation Front Line, now located in seven cities, is putting that talent and energy to excellent use.

Restaurant chefs are joining up with community groups and nutrition centers to get our best knowledge to the people who need it, through classes, seminars, and other one-on-one, hands-on formats. The chefs are actually in the centers teaching about nutrition, about recipes that stretch a food dollar, about how to shop to receive the best value, and about how to make small budgets be more efficient.

Contributing is also about raising awareness. Two years ago, in the midst of huge financial challenges, Northwest Airlines chose to create Northwest Air Cares, a program that provided an excellent opportunity for organizations to raise their visibility and to showcase their work. Share Our Strength was featured for three months, and not only benefited financially but also was introduced to yet another new corporate and receiver relationship, while Northwest Airlines was able to inform many of its 40 million passengers of the Northwest Air Care's program.

Over the last ten years, I've watched food distribution become more and more sophisticated. Food banks and food shelves are increasingly proficient at moving food to where it's needed most. As Congress and the states look for ways to improve the system, I encourage you to focus on quality and accountability. Our public-private partnerships work best when we know the system is working efficiently. Where government funding is involved, I encourage you to make sure you've got a good handle on the programs that work — which ones are efficient, which ones are fiscally responsible. Where government funding is not directly involved, I encourage you to take the lead in promoting corporate and individual support whenever possible.

Statistics tell only part of the story; a human face better shows the critical urgency of the need for involvement. Help everyone to understand, if ever you doubt whether you ought to be involved, to put a face of a loved one on the need and then see if you can dare to walk away.

As for the private sector, I think our responsibility is to look for opportunities where we can help. In the simplest form, it's a private citizen or restaurateur taking a food item down to a local food shelf. In a more advanced form, it's about being willing

to dig in and to think more creatively with the talents and energy you have. For the restaurateur, this could mean getting to know the director of the local shelter — and seeing where our expertise can come in handy. It often boils down to using your own energy to influence others — individuals, restaurateurs, other industries — and move them enough to act.

I'm convinced that raising awareness — sometimes even more than money — is one of the most valuable ways to start. The greater the number of people who understand that, in big ways and in small, they can work towards solutions, the greater the impact they'll have. Awareness, fueled by the passion to act, and positioned with efficient funding, will result in energy that begins showing up in everyday lives, energy that has a real impact, energy to change lives.

I thank Congress for holding this important hearing. I, and the hospitality industry, intend to keep trying, and I hope that you will also choose to play a role in providing creative energy in the battle against hunger.

U.S. House of Representatives
Small Business Committee
Subcommittee on Regulation, Business Opportunities and Technology

Rayburn House Office Building, Room 2203

Testimony of Ms. Jean Londner,
President of the Residents Council
B'nai B'rith Homecrest House
Silver Spring, Maryland

December 21, 1994

Good Morning. My name is Jean Londner, and it is an honor to be here this morning representing the B'nai B'rith Senior Housing Network. I am 79 years old and will be turning 80 in March. I am a resident at the B'nai B'rith Homecrest House in Silver Spring, Maryland. Having worked as a medical assistant for many years, and now as a resident of Homecrest for the last 15 years, I know first hand how important nutrition issues are for older people. Food affects our health in many ways, including our moods, and how our body reacts to the medications we take.

For more than two decades, B'nai B'rith has been involved in a cooperative partnership with the U.S. Department of Housing and Urban Development, to make available rental apartments which senior citizens with limited or fixed income can afford. Today, B'nai B'rith is the largest, national Jewish sponsor of federally subsidized housing for the elderly, that includes a network of 27 apartment buildings, including Homecrest House, with five more buildings under development. The B'nai B'rith Homecrest House consists of a total of three buildings. The first two opened in 1979 and 1985, and are Section 202 Housing for the Elderly. The third building, an assisted living facility, was developed with State and local funding.

I consider myself very fortunate to live in a place like the B'nai B'rith Homecrest House, where I can participate in many programs, one of the most important being the meal program. Every day between 5 p.m. and 6:30 p.m. I dine with my friends and neighbors in a lovely central dining room. Served to us is a hot nutritional meal that starts with an appetizer and finishes with dessert. These meals are served 7 days a week, 365 days a year. There has been a meal program since the first building opened in 1979.

We pay \$5.69 per meal. The additional cost of the meal is subsidized by the Foundation for Homecrest House. Until recently we received a subsidy from the Montgomery County Nutrition Program. However, because Homecrest House could not afford to comply with the Older Americans Act regulations, of only asking for a

donation and not charging participants a specific amount, we were unfortunately, no longer eligible for the funding, and it was discontinued.

The meal program is particularly meaningful to me now because I have a bad back, very limited motion in my left hand, due to a torn rotator cuff and I have lost my vision in my right eye due to a stroke in the optic nerve. I would find it extremely difficult to prepare dinner, especially if I had to do it every day. If this program was not available, I would not receive the nutritious diet that I do now.

In addition, I know there are many people including my friends and neighbors at Homecrest, who due to health related and other problems depend on the meal program for at least one nutritious meal each day.

A nutritious meal program is vital to many residents throughout the B'nai B'rith Senior Housing Network. I understand a number of residents, throughout the network, have voluntarily turned their stoves off, because they recognize their use of the stove was a danger to themselves and to other residents. Without having at least one hot meal a day, these folks would have only cold food or be dependent on friends or their families, if they are lucky enough to have any in the area.

If these meal programs and other supportive services were not available, many residents' health and welfare would be placed in jeopardy, and possibly would have to move to a nursing home.

Food and nutrition also play a critical role in our health, particularly because many of us take a variety of medications. If we don't eat right, our medications do not always work the way they should, and we can have terrible reactions.

Friends of mine who are diabetic tell me how important the meal program is for them. A proper diet is one of the best ways to control Diabetes. Their participation in the meal program insures that they will get at least one well-balanced, low-fat, low-sodium meal a day.

That is why a nutrition program, such as the one at Homecrest House is so very important. Any reductions in funding for nutrition programs would be disastrous for the elderly. I respectfully urge the members of this sub-committee to support the continuation of nutrition programs for the elderly.

Thank you for the opportunity to address you today.

Draft Testimony of Mary Marshall
Hunger in America: Public and Private Responses;
Welfare Reform Proposals

December 21, 1994 Hearing
Subcommittee on Regulation, Business Opportunities
and Technology

My name is Mary Marshall, and I am speaking today as a 73 year old person who knows what it is like to be old and to not have a lot of money.

For me, and for other elderly persons like me, getting enough to eat is a daily challenge.

I have worked all of my life at different jobs. Most recently, while I was still physically able, I worked full-time as a cashier at a gasoline station. I have done domestic work, worked at the airport, and cleaned train cars for a railroad company. But those jobs did not give me enough money to retire on without needing additional assistance.

In 1984, I began having severe circulation problems. My job at the gas station didn't provide health insurance. I had to quit work and go into the hospital. I stayed at the first hospital for a while, but they wouldn't treat me because I didn't have insurance. I went home and my condition got much worse. Finally my daughter-in-law took me to a different hospital and they treated me and helped me get medicare and medicaid.

Both of my legs were amputated, and I get around in a wheel chair. After the operation, I applied up for food stamps, but I had to wait 6 or 7 months before I started receiving them. In the meantime, I had to rely on my small savings and on friends and family to help me in the meantime.

I cannot get to the grocery store by myself. I now receive \$97 a month in food stamps. I also get supplemental food from a distribution center that delivers groceries to my home once a month. I could not survive without the supplemental food. With food stamps and the supplemental food, I am able to manage. Without it, I don't know what I would do.

I go to the Downtown Clusters Geriatric Day Care Center about three times a week, from 9:30 to 3. I get to the Center by a special bus that picks me up. The Center provides lunch and other activities, such as movement therapy, art therapy, and occupational therapy, which includes an arthritis group. The Center gives me a chance to socialize, which is also very important to me.

Of course, I have some special medical needs. I receive both medicare and medicaid assistance. If I didn't, I would be in real trouble. I can't afford private insurance.

I live alone in an apartment that is subsidized by the government. I was in the process of trying to buy my own apartment at the time I got sick. The government also pays for a homemaker to come about twice a week. She helps me clean and does laundry, which I can't get to easily because it is on another floor. She also goes to the store for me. I have a son who lives in Fairfax, Virginia, so he is not far away, but he can't see to my daily needs. My other son lives in the District, and is physically disabled.

I don't think my situation is very unusual. I worked and raised a family. As I got older, I got some health and disability problems. I depend on the private and public programs for some of my basic needs. I don't have a lot, but I am doing okay. If that support were taken away, I honestly don't know where I would turn for help.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

STATEMENT OF

FERNANDO M. TORRES-GIL
Assistant Secretary for Aging

Department of Health and Human Services

before the

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON REGULATION, BUSINESS OPPORTUNITIES
AND TECHNOLOGY

Wednesday, December 21, 1994

I am honored to testify before the Subcommittee on Regulation, Business Opportunities and Technology of the House Committee on Small Business on the topic of hunger among the poor, in particularly the elderly poor. At the outset, I would like to commend you, Mr. Chairman, for calling this hearing, and I would like to applaud you for your steadfast support for the concerns of the elderly. It was largely through your efforts that the Peter D. Hart Research Associates survey for the Nutrition Screening Initiative was released in 1993 which indicated that "Malnutrition is a serious problem that affects a substantial proportion of elderly people in the United States." Your continued advocacy and leadership have reinforced the need for more comprehensive information on the extent to which hunger and malnutrition exist in this country.

As requested, my testimony will focus on the Elderly Nutrition Program of the Older Americans Act, which serves all those 60 years of age or older regardless of income. In addition, I will discuss successful collaborations between the Federal, State and local governments, and the private sector to develop and implement nutrition services to some of America's most needy older citizens.

As you know, the largest provider of community nutrition services for the elderly is the Elderly Nutrition Program, funded through the Older Americans Act and administered by the Administration on Aging (AoA).

As the Assistant Secretary on Aging, I oversee the administration of the Older Americans Act and the programs funded by it, including the Elderly Nutrition Program (Title III-C). My own involvement with this program dates back to 1973 when I was one of the original trainers who worked with project directors hired to set up the original "Title VII" Elderly Nutrition Program. The current Title III-C contains two federally-funded parts, Congregate Nutrition Services (C-1) and Home-Delivered Nutrition Services (C-2). The services provided under the two parts are similar, but they are targeted to different populations of older people. In addition to Title III-C, nutrition services are provided to American Indians, Alaskan Natives, and Native Hawaiians under Title VI of the Older Americans Act. Nutrition services under Title VI are comparable to the services provided under Title III.

Let me briefly describe just how large this network of nutrition programs has grown. This fiscal year AoA will distribute almost \$500 million to 57 States and territories and an additional \$16 million to Indian Tribes earmarked for both congregate and home-delivered nutrition services. When AoA funding is combined with the USDA Cash and Commodity Program, participant donations and State and other funds, we are talking about a nutrition program that is spending well over \$1 billion a year.

According to the most recent figures, over 230 million meals were served through the network of over 2,200 Title III(C) Elderly Nutrition Projects in 1993. Forty-five percent of those meals were provided to the elderly in their own homes. At the present time there are approximately 16,000 meal sites in operation every day. For example, there are approximately two elderly meal sites in a community providing hot and nutritious meals as well as other supportive services to the elderly for every McDonald's restaurant in that same community.

It is important to note that nutrition services do not operate in isolation but are a part of broader, balanced, integrated approach to a comprehensive and coordinated system of services that includes social and supportive services as well as health and medical services. The problems of older people are both medical and social, and there are indications that poverty and social isolation go hand in hand. Lack of social support can also play a role in the development of disease and disability, and researchers have shown a relationship between lack of social support and chronic illness.

Congregate and Home-delivered Nutrition Services address this need as well as many others. The objectives of these programs are to provide healthful meals and related-nutrition and supportive services to nutritionally at-risk older people. Other nutrition services such as nutrition screening, assessment,

education, counseling, outreach, meals for special diets, shopping assistance and referrals to food assistance programs also are included. These services are tailored to and supported by local communities.

The Congregate Nutrition Program provides intangibles such as camaraderie and friendship as well as the opportunity to participate in community volunteer activities, and get access to other services. It is an integral component of a continuum of comprehensive and coordinated community-based services to enable older Americans to remain at home in their communities. In addition to the prepared meals and other nutrition services, supportive services such as transportation, health promotion and disease prevention activities, health screening, benefits counseling, caregiver support groups and social activities are also offered. Many congregate sites are run by community volunteers, many of them elders themselves. You may be interested to know that in a disaster, such as the Los Angeles earthquake or the floods of the Midwest, congregate nutrition sites also function as disaster assistance centers, often because they might be one of the few community facilities with a functioning kitchen. And, I am sure you know of the unique congregate nutrition program in Seattle, Washington called the SPICE Program. It is a congregate nutrition program offered in elementary and secondary schools which provides the opportunity

for intergenerational activities between elders, children and youth.

Since I was appointed Assistant Secretary for Aging in May of 1993, I have had an opportunity to travel extensively throughout the United States spending time with our constituents, our seniors. During my travels, I have heard many stories about the importance of nutrition intervention and nutrition services which are provided by Older Americans Act nutrition program. Let me share some examples with you. During a visit last year in Tennessee with Vice President Gore's mother, Pauline, I visited with two older women, one in her mid-60s with severe arthritis and her mother in her mid-80s, who had suffered a stroke. Both women had sufficient impairments that nursing home placement was possible. However, the provision of essential nutrition intervention, a daily home-delivered meal, and the visits of a senior companion provided just enough social and nutrition support to enable both women to stay at home in the community caring for each other rather than in a nursing home.

In Portland, Oregon, I know of Mr. Oscar, who is 73 and has no living family members. He is mobility-impaired due to kidney failure. He also has been diagnosed with early stages of dementia, and was recently treated for dehydration and malnutrition. These two conditions are said to be based upon his dementia. Mr. Oscar is a man of limited income, but he does own

his home. He is able to stay there, as he desires, because of the daily meals that are delivered seven days a week through the local area agency on aging.

Twenty years ago, in 1974, the first full year of Older Americans Act funded home-delivered meal program was in operation. The Administration on Aging limited the number of home delivered meals to 10 percent of all meals provided. Today, home-delivered meals almost equal congregate meals, and if trends, continue will soon exceed congregate meals. In a few years we have gone from a period when home-delivered meals simply did not exist to the present appreciation that meals delivered to the homes of the elderly is a fundamental core service necessary for keeping functionally disabled elderly people in their homes and in the community.

Home-delivered Nutrition Services are targeted to the more frail, vulnerable, and functionally-impaired elderly and again offer more than a meal. The person delivering a meal may be a homebound person's primary link to the outside world. Service providers tell many stories of finding older individuals who have fallen or need medical attention. Perhaps one of the most moving statements regarding home-delivered nutrition services comes from an older man in Ohio. He said, "I need my home-delivered meal to keep me alive. And I need my meal delivery person to find me when I die." This service is indeed integral to life and death.

Home-delivered nutrition services may be the one essential service that keeps a person in their home and not in an institution. Home-delivered nutrition services also offer vital family support. At any one time, 95 percent of older people are at home in their communities with families providing essential care. Nutrition services help support the family.

As recent media attention to the problem of hunger in America has indicated, the need for community nutrition services through the Elderly Nutrition Program is increasing. It has been reported that waiting lines exist in various parts of the country. Preliminary 1994 data from a New York state-wide telephone survey of the need for home-delivered meals indicated that 6.6 percent of the over-60 population or 193,000 individuals were in need of home-delivered nutrition services and that 30 percent of these individuals could be served with current funding.

Most Americans don't expect to find malnourished older men and women living in their neighborhoods. While there is a striking lack of research about how many community-dwelling elders are suffering from malnutrition, there are indications that the numbers are in the hundreds of thousands. A study from the Journal of the American Geriatrics Society estimates that over a million homebound elders may be malnourished.

These findings paint a picture of a population quite vulnerable to becoming malnourished. Many people have a mistaken notion

that malnutrition looks like starving children in a third world county. The faces of the malnourished and hungry elderly are much less obvious, but just as devastating. These are the faces of the elders in New York City who forage for food in garbage bins at grocery stores and restaurants; the elders who save half of their home-delivered meal to eat later because that is the only food in their house; and the elders who are so depressed by the death of a spouse that they do eat or take care of themselves.

These examples illustrate different risk factors that can lead to hunger and malnutrition. Risk factors associated with inadequate nutritional intake include poverty and isolation. In 1991, over six million persons age 65 and older were living near or below the poverty level.

Optimal nutritional status is essential to the well-being, health, independence, security, and quality of life for all--from well, healthy individuals to frail, vulnerable, and functionally impaired individuals. Fundamental to this concept are four principles of nutrition that provide the foundation for my vision of the critical role of nutrition and nutrition services in home and community-based care.

These principles are:

- adequate nutrition as part of an overall care plan fosters continued independent living in the community and even plays a role in helping individuals who are chronically or terminally ill;
- adequate nutrition as part of an overall care plan helps older people avoid premature nursing home placement;
- adequate nutrition helps older people avoid using expensive health care services and reduces incidence of hospitalization and re-hospitalization;
- appropriate nutrition promotes health, prevents or delays the onset of disease, aids in recovery from illness and trauma.

In order to meet the ever-increasing needs for nutrition services and to focus the attention of the aging network, other government agencies, hunger advocacy groups and policy makers on the issue of nutrition and malnutrition and the role that adequate nutrition plays in health and functioning in old age, AoA established its Nutrition/Malnutrition Initiative. To accomplish this goal, we have established four objectives:

- ◆ To **increase awareness** of individuals, families, communities, policy makers and the private sector that there are interrelationships between nutrition, food insecurity, malnutrition and hunger.

- ♦ To **provide leadership** among various agencies and organizations in promoting a nutrition agenda for the future.
- ♦ To **develop and promote direct prevention and intervention strategies** which will enhance the nutrition status of older individuals and nutrition programs at all levels.
- ♦ To **develop public policy** which will ensure greater access to appropriate food and nutrition services for older individuals.

We are accomplishing this initiative through collaborative efforts with other Federal agencies, State and local government, and the aging network, the private sector and older Americans.

Let me say a few words about each objective. In order to **increase awareness** and in anticipation of the 1995 White House Conference on Aging, I have authorized each of our ten regional offices to host a Regional White House Conference on Aging or Nutrition/Malnutrition Regional Forum in support of our Nutrition/Malnutrition Initiative. Between September, 1994 and March, 1995, a Nutrition/Malnutrition Regional Forum has been or will be held in each of the ten Administration on Aging Regions.

The second objective of the Initiative is to **provide leadership**, I am excited to announce that for the first time, and as required by the Older Americans Act, HHS Secretary Shalala will very soon

be establishing the Administration on Aging National Nutrition Advisory Council to:

- assist and advise the Assistant Secretary for Aging in the area of nutrition and aging; and
- develop recommendations for guidelines on the efficiency and quality in furnishing nutrition services provided under the Older Americans Act.

Let me mention something else of which I am very proud. The Administration on Aging plans to phase in a new management information system for collecting program data from the States. We plan to ask the States to report to us not only the units of nutrition services provided but the number of elderly persons they provided those services to who could be considered at nutritional risk. This will be the first time that AoA will be collecting information on the nutritional risk of the participants that we serve. This is information that has been sorely needed, and is long overdue.

For the third objective to **develop and promote prevention and intervention strategies**, I will highlight one activity, the establishment of a **National Policy and Resource Center on Nutrition and Aging**. In May, 1994, the Administration on Aging announced in the Federal Register that it was seeking applicants for a **National Resource and Policy Center on Nutrition and Aging**. The Administration on Aging needs better knowledge, more information and trained personnel with improved skills to better

serve the nutritional needs of older Americans. The applications for the **National Resource and Policy Center on Nutrition and Aging** have been received and reviewed. An announcement will be made soon.

For the fourth objective to **develop integrated public policy**, I will highlight our national evaluation of the Elderly Nutrition Program. In 1992, Congress recognized how large and complex the Elderly Nutrition Program had become since its beginning as Title VII. They directed the Administration on Aging to evaluate the nutrition services provided under the Older Americans Act. As the focal point for aging policy, AoA requires better information on the characteristics of program participants, the impact of the program on dietary intake, health status, and socio-psychological well-being of program participant, whether the program is efficient and cost-effective, how the program is funded, and how the program is integrated into home and community-based long term care services.

A two-year contract for this evaluation was awarded in September, 1993 to Mathematica Policy Research, Inc. of Princeton, New Jersey. I am pleased to tell you that the design phase of the evaluation is complete and the researchers are currently in the field. The results of the evaluation should be available by June/July of 1995. We will be gathering basic demographic information as well as information on heights and weights,

dietary intake, health status, functional status, and program participation in other programs. Also for the first time we will be gathering data on the Title VI program, the program for older American Indians, Alaskan Natives and Native Hawaiians.

Let me discuss some successful collaborative efforts within the aging network. The aging network consists of 57 State Units on Aging, 670 Area Agencies on Aging, 227 tribal organizations, 5,000 senior centers and approximately 27,000 service providers and even relatives and volunteers. It has a record of service for maintaining the dignity and independence of seniors through the Older Americans Act by providing services that allow older Americans to remain living in the familiar surroundings of their homes, communities and families.

At a State level, State Units on Aging are partners with Administration on Aging. State Units on Aging in conjunction with Area Agencies on Aging and local providers leverage additional funding to expand services, including State match, other State funds, other Federal funds such as Title IX and XX, local levy funds, foundation grants and donations, food company donations, and local charitable donations. The aging network has also leveraged other funding as a part of building comprehensive and coordinated service systems. Nationally, there is substantial private sector/state/local community financial and volunteer support for Congregate and Home-Delivered Nutrition Services.

Although there are no fees or charges in this program, older persons are encouraged to contribute through volunteerism and financial support to help defray the cost of services. In Fiscal Year 1993, program income, including contributions from participants was over \$170,000,000. These contributions were used to expand services. Also, volunteers--many of them older Americans--perform essential tasks such as managing nutrition sites, delivering home-delivered meals, record keeping, food service, nutrition and health education activities.

At the Federal level, we are collaborating with the United States Department of Agriculture (USDA). Recently I met with Ellen Haas, Assistant Secretary of Food and Consumer Services of the USDA to begin discussing common concerns between our agencies on nutrition and food access issues. We have agreed to the following:

- establishment of an Inter-Agency Task Force to discuss collaborative activities in areas of mutual interest;
- establishment of a Program Team to address specific issues of the Elderly Nutrition Program.

Successful collaborative efforts also occur at local levels. Let me provide you with information on just a few of many program innovations and collaborative efforts.

The Oseola County, Florida Council on Aging surveyed its home-delivered meals clients and found that a large percentage of them either had no teeth or ill-fitting dentures. One individual had not seen a dentist in over 30 years. The Council on Aging asked all dentists in the two adjoining counties to provide to needy elders, a dental checkup, a dental x-ray, and a teeth cleaning. The Council on Aging provided transportation, escorts for the frail and other assistance. No dentist turned away needy clients, and many worked with the older people and their families to provide needed follow-up care, including the donation of additional services. The collaboration also saved a life. As a result of the x-ray, a brain tumor was diagnosed for one older man. Subsequent surgery saved his life. This collaboration not only affected seniors' health but also their nutritional status.

Another nutrition program in rural Appalachian Ohio has built a collaborative relationship with the local pizza parlor. Monthly, at noon, the pizza parlor sponsors a pizza party and delivers pizza to all nutrition sites in the area and provides enough for it to be included with the home-delivered meals. This collaborative effort reduces meal costs, but more important shows community support and caring for seniors.

In Minneapolis, Minnesota, the Pillsbury Company provides corporate support for home-delivered meals not only monetarily, but also by allowing employees to donate their lunch hours and

additional time during work hours to deliver home-delivered meals. Pillsbury has a volunteer coordinator in its personnel office who works with the various home-delivered meals providers in the area. Pillsbury and its employees give of themselves to their community. This experience is replicated across the country by many other businesses that adopt a senior meal program.

The two national membership and advocacy organizations, the National Association of Meal Programs (NAMP) and the National Association of Nutrition and Aging Service Programs (NANASP) representing nutrition service providers in the aging network have national initiatives with companies like Saab, Reynolds Metal Company, Ross Laboratories, Kelloggs, Nestles and Seagrams to name a few.

Successful public-private partnerships help the aging network expand services to meet an ever-increasing need. This collaboration at Federal, State, Area Agency on Aging and local provider level along with the private sector demonstrate how resourceful the aging network has become in meeting its legislative mandates to concentrate resources in order to develop greater capacity. It also demonstrates true community involvement, the community of older people and younger people, big business and small business, and government, the private sector and the charitable sector as well.

I would like to address some of the challenges that face the Elderly Nutrition Program that also have business implications. The environment is different for community nutrition services than it was twenty years ago when the programs began. Needs, lifestyles, and expectations of older individuals are changing. Younger older individuals are more mobile, and have more choices; older old individuals are more frail and still likely to be in living the community. To meet the needs of all these diverse, heterogeneous, increasingly minority, older individuals, nutrition services programs need to offer meals that taste good, are good quality, safe, healthy, nutrient dense, meet therapeutic needs, meet ethnic preferences, and provide choice and control.

Businesses have a role in meeting all these needs from the product, to the delivery of the product, to the management of the service, to the expansion into services other than meals. Private industry is very much a part of how service is provided in Congregate and Home-delivered Nutrition Services.

As a part of a comprehensive and coordinated home and community-based service system, the Elderly Nutrition Program is challenged to provide more than food. It is challenged to provide comprehensive nutrition services including multiple meals in a day, seven days a week, 365 days a year in a community service setting in all geographic locations with limited financial and human resources. It must include therapeutic meals and meals to

meet diverse cultural and ethnic tastes, nutrition screening and assessment as well as nutrition education and counseling.

As these services are being linked to home and community care-based systems, there are increasing pressures for community nutrition service programs to be effective and efficient. Through collaborative efforts within the aging network, with other Federal, State, and local government entities, public and private partnerships and the business sector, the Administration on Aging and the aging network are attempting to meet this challenge. Together we are working to better meet the health and nutrition and supportive service needs of older Americans from the well and healthy to the ill, frail, and impaired. This effort reaffirms our commitment to preserving the quality of life that older Americans deserve.

We look to you for guidance and support. I would be happy to respond to any questions you might have.



**TESTIMONY OF CHRISTINE VLADIMIROFF, OSB, Ph.D.
PRESIDENT AND CEO
SECOND HARVEST
NATIONAL FOOD BANK NETWORK**

**Before the Subcommittee on Regulation,
Business Opportunities and Technology
Committee on Small Business
U.S. House of Representatives
December 21, 1994**

Good morning. I am grateful to Chairman Wyden and the Subcommittee on Regulation, Business Opportunities and Technology for the opportunity to testify here today. My name is Christine Vladimiroff and I am the President and Chief Executive Officer of Second Harvest National Food Bank Network.

The Second Harvest Network is the largest charitable, domestic hunger relief organization in the United States. We are a non-profit organization, headquartered in Chicago, Illinois. The Second Harvest network is comprised of 188 regional food banks and over 42,000 local charitable agencies. Community agencies served by us include food pantries, soup kitchens, elderly feeding sites, homeless shelters and similar feeding programs.

Second Harvest feeds the hungry by soliciting donations of surplus food and grocery products and distributing these products to the nationwide network of food banks. In turn, food banks distribute the food to local non-profit charities.

Last year, nearly a billion pounds of food - 700 million pounds of which were donated from the private sector - was distributed through the Second Harvest network. Because of the generosity of the private sector and the donation of commodities from the federal government, Second Harvest helped to feed nearly 26 million hungry Americans, or 10% of our nation's population.

In fifteen years of existence, we have created an effective and efficient distribution infrastructure to move food to needy Americans. We have local community support for the work that we do and we are close to the people the network serves. They are our neighbors, our brothers and sisters. The local food pantry, soup kitchen and elderly feeding site is the secondary "safety net" to those who are not saved in the primary safety net that government programs provide. We are local, grassroots responses of neighbor feeding neighbor.

What began as a temporary emergency feeding network fifteen years ago -- a stop gap measure -- is now an all too familiar part of the scenario in most communities: food banks, soup kitchens, pantries, shelters, congregate feeding programs. Seventy-one percent of the programs in this network were begun since 1981, and 46% percent have started since 1986. In 1980 there were 30 soup kitchens in New York City, today there are more than 600. Quite simply, hunger is growing in America. The task to feed America's needy becomes more daunting each day.

Local communities are trying to respond to the needs of hungry people with generosity and compassion, but the need is growing. Because of a lack of resources, both food and funds, local agencies have been forced to turn people away. Forty-six percent of network agencies report that they have had to ration food, their hours of operation, and distribute pantry bags that contain less. In short, demand is up 37% or more, but food donations are up only 10%. We are deeply concerned.

Hunger is an effect of poverty, and, by nearly every empirical standard, poverty is on the rise. In October the U.S. Census Bureau reported that nearly 40 million Americans live in poverty. Too often the poor are forced to choose between fixed living expenses such as the rent, heating bill, and medication or providing a nutritionally adequate diet for themselves.

Of clients served by Second Harvest programs, 32% of the households report that adults had to miss meals in the past month and 11% of households with children reported that children under 17 years old had to miss meals in the past month because there wasn't enough food or money available to buy food.

Those that suffer the most from the condition of hunger are the most vulnerable and fragile --the children and the aged. The Second Harvest network serves approximately 10 million children. In the innocence of childhood, a child may not know that their family is poor, but a child knows when their family experiences hunger. Research shows that hungry children may suffer as much as three times as many health problems as other children. They suffer weight loss, fatigue, headaches and they are more susceptible to diseases that their bodies would otherwise be able to fight off.

Mr. Chairman, we are in jeopardy of losing a generation of children to the ravages of hunger. The Second Harvest National Research Study found that 42.9% of the clients using emergency feeding programs were children. The Food Research and Action Center in its landmark study, the Community Childhood Hunger Identification Project estimates that 27% of American children were either hungry or at risk of hunger. That is approximately 13 million children!

As if the immediate health effects were not enough, the long term effects of child hunger are deeply troubling. Research compiled by the Tufts University Center

on Hunger, Poverty and Nutrition in its *Nutrition-Cognition Initiative* shows that under nutrition, in association with other factors associated with poverty, can permanently retard physical growth, brain development and learning ability. The longer a child is denied the necessary nutrition, the greater the likelihood of developing learning impairments. Undernourished children have difficulty in school. They suffer an inability to concentrate and they are more likely to suffer behavioral problems. Even without the benefit of the vast medical and pedagogical evidence, I can tell you as a former teacher and superintendent of schools – hungry children do not learn.

Another particularly vulnerable population is the elderly. More than 8% of the Second Harvest network clientele are elderly. The Urban Institute has estimated that nearly 5 million elderly are hungry or malnourished. The emergency food assistance provided to the elderly by local agencies not only helps to provide adequate nutrition, but also helps provide badly needed social interaction through congregating feeding sites, meals-on-wheels and similar programs.

Hunger and malnutrition exacerbate chronic and degenerative diseases among the elderly. Hunger experienced by the aged leads to unnecessary decreases in the quality and longevity of life. Data for people aged 65 to 75 shows that a majority is not consuming even two-thirds of the nutrients they need to stay healthy.

What makes the effects of hunger worse is that it need not be so. I submit to you that hunger in America is completely curable. Those of us directly and actively involved in the fight against domestic hunger share an unshakable belief that, unlike many other social ills, hunger is one problem that we can solve. We have the capacity to end hunger because hunger in the United States is not the result of a food supply shortage. We are a nation of great power and wealth. Our farmers produce not only enough food for our nation, they produce surpluses and feed the world.

Second Harvest believes in the appropriate role of the non-profit sector in ending hunger in America, but the private sector and charities cannot solve the problem alone. We are quickly approaching the limits of what the charitable sector can do alone.

Programs such as The Emergency Food Assistance Program, or TEFAP, are essential to our mission. In 1992, besides private food donations, the Second Harvest network distributed more than 100 million pounds of TEFAP and Soup Kitchen commodities provided by the U.S. Department of Agriculture. Seventy percent of Second Harvest food banks distribute USDA commodities. These federally purchased commodities are essential to the public-private partnership necessary to combat hunger.

This network welcomes the partnership with USDA in providing food to needy

Americans. USDA commodities are an opportunity to enhance the nutritional quality of the food available to and through local agencies. USDA commodities are critical as a reliable supply of food that helps stabilize a massive system of unpredictable donated supplies typical in a charitable network.

While the contribution of federal commodities is essential to our efforts, there simply would be no Second Harvest if it were not for the generosity of the private sector. Each year, hundreds of private companies contribute marketable, nutritious surplus food and grocery products to the Second Harvest network. Private donors that give products to Second Harvest contact us as the one source to channel surplus food to thousands of organizations distributing food to the needy. Many corporations work in partnership with Second Harvest in a highly visible demonstration of good corporate citizenship.

Companies that donate regularly to this network report improved morale and a renewed pride in corporate goals among employees. When donation of surplus food to the needy becomes a clearly stated company policy, employees know that management has made a long term commitment to the health of the community. Companies donating their surplus product know that it will reach a variety of charitable food programs. Companies also know that they are contributing to the overall welfare of their community.

Unfortunately, donations from the private sector have not kept pace with the growing need. As food manufacturers improve efficiency and reduce waste, less surplus food becomes available to charitable agencies such as ours. Private sector donations of food have not grown exponentially with increased demand. Simultaneously, the federal government has reduced the amount of commodities available through the TEFAP program. With close to a billion pounds of food distributed by Second Harvest last year alone, it was estimated that we still needed a 16% increase in food donations to meet the demand.

The subcommittee has asked if private efforts could or should be used in place of publicly funded food programs. As the President of the largest charitable, domestic hunger relief organization in the country, I can assure you that the answer is an unequivocal "no!"

Federal commodities account, on average, for 10 to 30% of the food available in a food pantry bag given to a needy family. That percentage may seem small, but the federal commodities can be the most nutritious food in the package. At some food banks, the percentage of federal commodities in the package is much higher.

In addition, the federally donated commodities remain fairly stable in their nutrition content throughout the year. With the recent passage of the child nutrition programs re-authorization, federal commodities will become even more nutritious and will be labeled with their nutrition content, thus enabling recipient families to make healthier meals. Therefore, Mr. Chairman, I see the role of the

federal government as partner with the charitable and private sectors in meeting the needs of hungry Americans.

Probably the single most effective reform that the federal government can make would be in the commodities programs. As the Congress prepares for the 1995 Farm Bill and the re-authorization of the USDA Commodity Programs, reforms should be enacted to ensure that USDA commodities are available to hungry people. It would seem feasible that a program, with one set of regulations, administrative guidelines and increased federal commodity purchases would be more effective to program needs in local situations. Simplify the paperwork, allowing local agencies the use of resources for the service of people. Streamline the distribution system, without inventing multiple layers and duplication of effort by various organizations.

The USDA Commodity Programs should be redesigned to target hunger and nutrition, and the farm sector should be allowed to help provide solutions to the growing hunger in America. We can accomplish the dual requirements of farmers and the needs of hungry, malnourished persons.

Second Harvest, in conjunction with food policy organizations and the agricultural community, is exploring ways to reform the USDA Commodity programs to the betterment of farmers and the hungry. We expect to submit a proposal early next year, to USDA and the Congress for consideration in the 1995 Farm Bill.

Again, thank you for this opportunity to engage in the dialogue. I welcome your questions.

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103d Congress

United States House of Representatives
Committee on Small Business
Subcommittee on Regulation,
Business Opportunities, and Technology
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MEMORANDUM

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TO: Rep. Ron Wyden
FROM: Subcommittee Staff
DATE: December 16, 1994

RE: Public and Private Food and Nutrition Programs

As you requested, the subcommittee staff has studied the extent and success of food and nutritional assistance programs, particularly with respect to the needs of the elderly. We have reviewed the programs available through both public and private sources, both for-profit and not-for-profit, and have tried to identify strengths and weaknesses of these programs.

Summary

Hunger is a pervasive problem throughout the United States, affecting persons of virtually every racial and age group. It is a problem of urban, suburban and rural America, and for some demographic groups problems of inadequate nutrition are increasing.

-- According to the Congressional Hunger Caucus, more than 20 million Americans face hunger at least several times per month.

-- Approximately 26 million Americans rely on food banks. Twenty-two million persons currently receive food stamps. Between 1985 and 1990, the number of our fellow citizens who lacked sufficient daily nutrition increased by 50 percent.

-- According to government figures, one American in six relies on a government subsidized food or nutrition program. Almost 90 percent of these persons are women, children or the elderly.

The poor, in particular the elderly poor, receive nutritional support through a variety of public and private programs. Individual persons, for example, might be served by a combination of several projects ranging from meals-on-wheels to food stamps to church-sponsored soup kitchens.

On the federal side, there are at least 14 food and nutrition programs operated by the U.S. Department of Agriculture alone, with several geared to the elderly

poor. The U.S. General Accounting Office has noted a significant amount of overlap and bureaucratic "spread" in these programs, which currently cost taxpayers in the range of \$47 billion per year.

In the midst of an on-going, accelerating, national debate on welfare reform, Congress has the opportunity to better coordinate private and public efforts, and more specifically to restructure the federal approach in order to (1) reduce system overlap and inefficiency, and (2) thereby increase the number of real dollars available for direct support to the poor.

This debate may also enable public policy makers to identify and nurture non-profit organization and corporate programs as possible models for more intensive, national promotion.

Federal Assistance

Food Stamp Program

By far, the largest federal program, in terms of funds, is the Food Stamp Program (FSP). The FY 1995 budget for the FSP is nearly \$27.7 billion. The food stamp program assists more than 27 million Americans who meet specified eligibility requirements, including income limitations. In FY 1993, the average monthly benefit for each person receiving food stamps was \$67.96.

To receive food stamps, household gross monthly income may not exceed 130 percent of poverty guidelines, and net monthly income may not exceed 100 percent of poverty guidelines. For example, to be eligible for food stamps, an individual living alone may not receive more than \$614 net income per month. In addition, most able-bodied adult applicants must meet certain work requirements in order to obtain food stamps. To ensure integrity of the program and prevent fraud, use of electronic benefits transfer (EBT) rather than paper coupons is increasing.

A few special rules apply to the elderly (60 years or older) or disabled. For example, while people living in institutions are normally not eligible for food stamps, residents of federally subsidized housing for the elderly may be eligible for food stamps. Also, an elderly person who is unable to purchase and prepare meals independently may, along with his or her spouse and minor children, be treated as a separate household if the other people they live with do not have much income. In addition, elderly and disabled food stamp recipients may deduct from their income amounts for medical expenses to the extent those expenses exceed \$35, as long as those expenses will not be paid by insurance or by a person who is not a household member.

According to USDA, only about one third of elderly persons eligible for food stamps receive them. A November 1993 study published by Urban Institute entitled "Hunger Among the Elderly" found that only 26 percent of seniors with "food insecurity" receive food stamps. According to the study, an individual has food insecurity if the home does not always have adequate food, the individual cannot always afford to buy enough food, cannot always get to markets and food programs or, in the case of the elderly, cannot prepare and gain access to food available in the household.

Other Federal Programs

In addition to the FSP, there are about a dozen other federal food programs provided by USDA. The three largest, after food stamps, are the Child Nutrition Program, with budget authority of \$7.45 billion, Special Supplemental Food Program for Women, Infants and Children, with budget authority of \$3.47 billion, and Nutrition Assistance for Puerto Rico, with budget authority of \$1.14 billion.

The next largest program is the Nutrition Program for the Elderly (NPE), with a budget of \$150 million. The NPE provides cash and commodities to States for distribution to local organizations that prepare meals served to elderly persons in congregate settings or delivered to their homes. The program is intended both to provide nutritional assistance and to reduce the isolation experienced by the elderly. The per meal reimbursement rate has declined, because the number of meals has increased and the appropriation level is limited by Congress. The FY 1994 per meal reimbursement rate is 61.46 cents.

Non-Governmental Assistance

Private assistance comes from a variety of sources, including private for-profit companies, individual contributors, non-profit organizations, and volunteer workers. Each of these groups is essential to making sure that people in need receive food and nutrition assistance. Private companies donate or sell food and supplies, sponsor fund-raising campaigns, give grants or underwrite projects and offer volunteer assistance to organizations that distribute food to the needy. Non-profit organizations identify people in need of assistance, disseminate information about available services, educate the public about the needs of the hungry, and coordinate resources so that food assistance reaches those who need it. Often the day-to-day work of non-profit organizations is done by volunteers, who prepare and serve meals in soup kitchens, deliver meals at home, help collect food from donating organizations, and assist with fundraising and community outreach efforts.

It is impossible to quantify all of the non-governmental food assistance that occurs in the U.S. According to the American Association of Fundraising Council, \$12.47 billion is contributed from private sources to Human Services, which includes organizations that provide food, youth services, clothing and jobs.

A representative from AAFC estimates that approximately \$3 billion of that goes to food and nutrition programs. While AAFC does not know how much of the contributions to food and nutrition programs comes from corporate sources, overall giving (to all philanthropic causes) comes 90% from individuals, 4-5% from corporations, and the rest from foundations and other sources. The following are examples of how private entities help provide food to those who need it.

Non-Profit Organizations

The largest hunger relief organization in the nation is **Second Harvest**, based in Chicago. Second Harvest has a nationwide network of 185 food banks; those food banks have more than 41,000 member agencies and operate 69,000 food programs. In 1992, Second Harvest and its network of member food banks distributed 769 million pounds of food. Support for Second Harvest comes from a variety of sources: 55.3% is from government programs (federal, state and local), 21.1% is from individual contributions, 10.2% is from client fees, and 4.8% is from businesses (both purchased and donated).

Second Harvest provides food through soup kitchens and food pantries - unprepared foods for preparation in the client's residence. It also provides emergency shelter service, including prepared food, on a short term basis. Elderly clients primarily receive assistance from food pantries.

Focus Hope relies heavily on federal support. Last year it received \$94.5 million from the USDA Commodities Supplemental Food Program. Focus Hope supplies food to 80,000 people each month, with special programs for the elderly. It gets assistance from 46,000 volunteers. The food is purchased by USDA through a bidding process, so it can be bought at the lowest possible price. Support from companies primarily comes from paying for non-food items such as buildings and vehicles and by providing volunteer services from employees. Focus Hope also provides education and job training programs to foster financial self sufficiency.

Other non-profit organizations depend exclusively on private contributions for support. For example, the section 202 buildings at Homcrest House (a subsidized senior citizen residence in Maryland) that receive HUD support are, as of September 1994, no longer able to get federal assistance for food. The \$50,000/year federal support that Homcrest House had been receiving for food programs now must be raised from private sources. Homcrest House receives no funding from large organizations, and the biggest donations come from individuals. Likewise, Sarah's Circle, a subsidized senior housing project in Washington, D.C. that provides lunches to residents and other seniors in the community, raises all its funds through private sources. Sarah's Circle gets most of its food contributions from local caterers, the Federal Reserve Board cafeteria, and local groceries. It buys food in bulk from distributors when enough food has not been contributed. The seniors contribute for lunch if they can.

Corporate Assistance

Corporations give support to food programs directly by donating food or selling it at a reduced price and indirectly by sponsoring fund-raising campaigns and other activities.

For example, John Deckard of Safeway Stores says that Safeway is the largest single contributor to the Capital Area Food Bank, which gives food to 500 local agencies. Also, each store is assigned a local agency to contact if the store has too much of a particular perishable item in stock. Safeway also supports food drives, such as the "Scouting for Food" program, co-sponsored with the Boy Scouts, in which 45,000 scouts participated, obtaining 91,000 pounds of food. Safeway also plans to encourage individual contributions through a program by which customers can have a certain dollar amount added to their bill when they check out and Safeway will send a financial contribution to the Capital Area Food Bank for that amount.

Organizations that are not directly involved in food services also make contributions. American Express Company has a foundation that provides funding to community food banks and other food programs, and underwrites costs of fundraising campaigns. During November and December, American Express hopes to raise \$5 million through its "Charge Against Hunger" campaign. For the second year, the company will contribute 3 cents every time the American Express Card is used. American Express has teamed up with Share Our Strength - one of the largest private, non-profit sources of funds for hunger relief and prevention - to distribute the funds to nutrition education programs, food banks in high-need areas, innovative model programs, and other sources committed to alleviating hunger.

Improving Federal and Private Assistance Efforts

While much money is spent on a large number of different private and governmental programs, there still are significant problems in:

- Making sure people who need food assistance receive it.

According to a November 1993 study by the Urban Institute, nationwide, only 63 percent of elderly people with food insecurity receive assistance from food stamps, home-delivered meals services and congregate meal services. Moreover, that study found that neither the home-delivered nor congregate meal services have the resources to expand to fill the unmet needs.

Second Harvest states that 2,910 food programs turn away 61,110 people each year because of lack of food.

Moreover, while Second Harvest projected a 15.7% increase in need for additional food in 1993 from the previous year, corporate donations have decreased each year for the past two years. Donations this year were down by about 10 percent from 1993. Reductions are attributable, at least in part, to better packaging that results in less damage and to better inventory control that has reduced overstock.

- Making sure that federal services go to all those who are eligible and are not used in fraudulent ways.

At least one-fourth of all people eligible for food stamps do not receive them. Only about one-third of the elderly poor eligible for food stamps receive them.

A 1993 national study by Second Harvest found that 47.5% of all clients receiving some food assistance from Second Harvest also were receiving food stamps. Thus, more than half of all people actively receiving food assistance are not getting food stamps.

Federal investigators have estimated that losses in the food stamp program may approach \$2 billion from waste, fraud and abuse.

- Making sure that both public and private food and nutrition programs work efficiently and do not involve unnecessary costs or administrative burdens.

USDA and state agencies jointly operate 14 separate food assistance programs at a federal cost of about \$47 billion. A November 1993 GAO report found that the programs do not co-exist as part of a comprehensive federal food assistance policy. As a result, GAO found, the different programs often overlap, have inconsistent eligibility requirements in some cases, and duplicate administrative burdens, thereby increasing costs of providing assistance. In addition, the lack of uniformity and cohesion makes it difficult for Congress to assess the overall impact of the food assistance effort.

To make resources reach as far as possible, and to encourage greater corporate participation, it is crucial to eliminate unnecessary administrative, packaging and production burdens that add to cost. For example, companies selling food to non-profit organizations can do so more easily and cheaply if they can produce the food through mass production methods. However, regulations vary from state to state on such matters as portion size, making nation-wide production difficult or impossible. Similarly, the fragmentation of the market fails to stimulate technological developments that could result in cheaper and better food assistance.

Under existing tax law, companies are only permitted to deduct the fair market value of food they donate. Companies are often hard-pressed to determine the fair market value of foods that are consumable but not saleable. As a result, some companies deduct only the actual cost of the item, rather than risk taking too great a deduction. In that case, it may be no more advantageous, financially, for companies to donate unsaleable food than to throw it away.

Some Solutions

(1) Consolidate federal programs to eliminate duplication and unnecessary administrative costs. This should benefit participants by reducing their paperwork and should reduce confusion by making eligibility requirements consistent. It will also make it easier to track where federal assistance goes and how well it is accomplishing its goals.

The U.S. General Accounting Office has suggested that "the current food assistance approach, which has evolved over a 46-year period, is largely focused on the goals of the individual 14 food assistance programs rather than a broader view of federal food assistance needs."

Further, the GAO notes that the current 14 programs "could be collapsed into four," which would include (1) a basic food assistance program, (2) a supplemental assistance program for school children in an educational setting, (3) a supplemental program for pregnant women and infants at nutritional risk, and (4) an assistance program for the elderly.

(2) Establish a single, unified set of requirements and preempt varying state regulations on food donated or sold to non-profit food organizations.

We see unreasonable barriers to donations, and to discounted sales posed by health and safety regulations crafted by both localities and states. In many cases, the imposition of such requirements as labeling quantifying portion sizes per unit diminish overall collections by the non-profit food banks.



SHARE OUR STRENGTH

Hunger Today : The Worldwide Crisis Continues In the United States

- More than 20 million Americans suffer from hunger.

*Former Select Committee on Hunger
U.S. House of Representatives*

- Hunger in the U.S. has increased by 50% since 1985.

*Center on Hunger, Poverty and Nutrition Policy
Tufts University, 1993*

- 39.3 million Americans (15.1% of the population) live below the poverty level and are therefore at risk of hunger.

*Bureau of the Census
Poverty in the United States: 1993*

- About one in eight American children under age twelve suffers from hunger.

*Food Research and Action Center,
Community Childhood Hunger Identification Project*

In Developing Countries

- 35,000 children around the world die every day from hunger-related diseases.

The State of the World's Children, UNICEF 1993

- One in every five people in the developing world is chronically malnourished.

Food and Agriculture Organization of the United Nations

Taste of the Nation: Making an Impact on Hunger

Since 1988, SOS has raised and distributed more than \$14 million from Taste of the Nation alone. The impact has been felt across North America and around the world.

- Through Taste of the Nation benefits, SOS has helped fund 74 Prepared and Perishable Food Rescue Programs (PPFRP's) in the U.S. and Canada. SOS funding has helped start up all four of Canada's PPFRP's.

- SOS has awarded grants to nearly half of all U.S. food banks in 39 states.

- In Atlanta, since 1989, SOS grants to Atlanta's Table have enabled the distribution of 545,000 pounds of food, or 363,000 meals.

- In New York City, SOS grants to the Community Food Resource Center are helping to feed an additional 70,000 children school meals.

- In Ottawa, SOS funds helped purchase the refrigerated truck for the PPFRP of the Ottawa Food Bank.

- SOS funding has helped Oxfam's hunger relief and development programs in Bangladesh, El Salvador, and Nicaragua, as well as the Seeds and Tools Agricultural Relief and Revitalization Project in the Sudan.

*Sources: Atlanta's Table, Community Food Resource
Center, Ottawa Food Bank, Oxfam, SOS*

Leading The Fight Against Hunger

AMERICAN EXPRESS PRESENTS
SHARE OUR STRENGTH'S

Taste of the Nation



Cards

Share Our Strength's Taste of the Nation, presented by American Express, is the largest nationwide benefit for hunger relief. During the month of April, 1995, five thousand chefs will prepare their specialties at food and wine tastings and dinners in more than 100 cities across North America where 60,000 guests are expected to attend. One hundred percent of the ticket proceeds from every Taste of the Nation event goes to hunger relief and prevention programs.

In addition to raising funds, *Share Our Strength's Taste of the Nation* raises nationwide public awareness and concern about the problems of hunger at home and in developing countries, a problem which experts say is increasing. More than 20 million Americans are going hungry. According to the 1993 U.S. Conference of Mayors' Task Force on Hunger and Homelessness, the demand for emergency food assistance in 26 major U.S. cities increased by an average of 13% last year. This year, 43% of people in need of assistance were families with children.

Since 1988, *Taste of the Nation* has raised and distributed more than \$14 million to more than 400 groups working to fight and prevent hunger in the U.S., Canada, and in developing countries. Beneficiaries include: direct food assistance programs (food banks, prepared and perishable food rescue programs), long-term approaches to hunger relief (nutrition education, microenterprise development), and international community development agencies. In 1994, *Taste of the Nation* raised over \$3.7 million.

National sponsor American Express Travel Related Services Co., Inc., covers national organizing and promotional expenses. The national sponsorship—combined with local sponsorships, and the contributions of participating restaurants, hotels, wineries, food suppliers, and local donors—ensures that 100% of ticket proceeds is distributed directly to groups fighting and preventing hunger: 70% to local anti-hunger organizations in the event city, 10% to high need areas of the state, and 20% to international community development agencies.

In small towns and big cities, *Share Our Strength's Taste of the Nation 1994* organizers cooked up a spectacular blend of themes and locales, including: a gourmet tasting along Universal Studios Hollywood, "Streets of the World" in Los Angeles, CA; a "Tropical Fever" theme in Fort Lauderdale features an evening of light, organic Florida fare; a series of events including cooking classes, a country western dance, in Oklahoma City, OK; a "Broadway Rhythms" theme in Baltimore, MD; an elegant food and wine tasting on board two yachts in New York City; and a local children's choir adds flavor to Calgary, Alberta's tasting event.

Participating chefs and restaurateurs include: Rick Bayless, *Frontera Grill/Topolobampo*, Chicago, IL; Stephen Cole, *Cafe Allegro*, Kansas City, MO; Noel Cunningham, *Strings/Ciao Baby/240 Union*, Denver, CO; Roberto Donna, *Galileo and I Matti*, Washington, DC; Todd English, *Olive's and Figg's*, Boston, MA; Pano Karatassos, *Buckhead Life Restaurant Group*, Atlanta, GA; Emeril Lagasse, *Emeril's*, New Orleans, LA; Robert LeCromb, *Hotel Vancouver*, Vancouver, BC; Jack McDavid, *Jack's Firehouse*, Philadelphia, PA; Danny Meyer, *Union Square Cafe*, New York, NY; Mark Miller, *Coyote Cafe*, Santa Fe, NM; Alf Saunders, *Calgary Exhibition and Stampede Park*, Calgary, BC; Jimmy Schmidt, *The Rattlesnake Club*, Detroit, MI; Anoosh Shariat, *Shariat's*, Louisville, KY; Allen Susser, *Chef Allen's*, Miami, FL; and Tommy Tang, *Tommy Tang's*, Los Angeles, CA.

Malnutrition and Older Americans

"Malnutrition in the most vulnerable population groups - the young and the old - is a problem of increasing national concern. Recent studies have shown that one out of four older Americans suffer from poor nutrition. National nutrition programs, such as the Elderly Nutrition Program funded by the Administration on Aging, have a significant role to play in addressing this concern," stated Fernando M. Torres-Gil, Assistant Secretary for Aging, Department of Health and Human Services.

Good nutrition plays a crucial role in keeping older people healthy and functioning. Many older Americans, however, aren't eating well. Those who may have lost their teeth find it difficult to chew. Others may have a hard time getting to the grocery store, especially if they no longer drive. Still others simply cannot afford to buy the kind of food that could help keep them healthy. In fact, for many older people it's not a question of eating well but of eating at all. Even today, millions of older Americans are hungry or worried about where their next meal is coming from.

To better understand these concerns, Assistant Secretary for Aging, Fernando M. Torres-Gil has commissioned an issue paper dealing with the serious problem of malnutrition and older Americans.

Magnitude

Older Americans with varying degrees of malnutrition are found throughout the community - in their own homes, in long-term care facilities, and in hospitals.

- The number of older adults living in their own communities who are malnourished is in the

hundreds of thousands, with one expert estimating over one million homebound elders may be malnourished.

- Between 35 and 50 percent of the older residents of long-term care facilities are malnourished.
- As many as 65 percent of the elders in hospitals may be malnourished.

Impact on Society

For older Americans, malnutrition can lead to lost weight and strength, lessened immunity to disease, confusion and disorientation. Malnutrition exacerbates frailty and debilitation, causing families and loved ones greater worry and concern, as well as more time and energy spent in caregiving.

Studies have shown that older adults at nutritional risk tend to make more visits to physicians, hospitals and emergency rooms. Malnourished patients have hospital stays nearly twice as long as those of well-nourished patients, and costs of their stays are \$2,000 to \$10,000 higher. Malnourished older patients are readmitted to hospitals more frequently than those who are well-nourished.

Causes

Three reasons older people may eat too little food can be as simple as too little money or as complex as disease, too many medications and too dependent on others. Several important factors contributing to inadequate nutritional intake among older people can be cited.

- Poverty contributes significantly to malnutrition among older people. As health care, medication and utility costs increase, many older Americans cut back on their food budget.
- Many older people, especially the oldest and the poorest, have disabilities or functional impairments and are unable to shop for groceries or cook for themselves.
- Over 80 percent of those 65 and older suffer from chronic diseases and conditions, many of which are associated with malnutrition.
- Older adults take more medications than any other age group. Medications can cause loss of appetite, reduced taste and smell, painful swallowing, nausea and vomiting, and can affect the absorption and use of nutrients.
- Nearly half of the nation's low-income elders have lost all of their natural teeth. Problems with chewing and swallowing have definitely been linked to malnutrition.

Programs

The Administration on Aging through Titles III and VI of the Older Americans Act funds and administers the largest community nutrition services program for older Americans, the **Elderly Nutrition Program**. This program provides nutrition services including meals, nutrition education, and other services to mobile and homebound elders 60 years of age and older with a preference to those in greatest economic and social need.

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Despite federally funded programs, experts estimate large numbers of older men and women are suffering from malnutrition. The issue paper, *Food and Nutrition For Life: Malnutrition and Older Americans*, seeks to enhance public understanding about the magnitude of the elderly malnutrition problem, its causes, its impact on society, the programs that exist to address it, and the need for more research and information. For a copy of the issue paper or a summary, write to:

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assistance program for the elderly. Many officials agreed that each of these recombined programs should have one set of eligibility standards and reporting procedures. Table 2 shows how the 14 programs could be merged into 4 programs.

Table 2: A Four-Program Approach to Delivering Food Assistance

Program	Basic food assistance program	School meals program	Women and infants program ^a	Elderly meals program ^b
Food Stamp Program	X			
Nutrition Assistance Program for Puerto Rico (NAP)	X			
The Special Supplemental Food Program for Women, Infants, and Children (WIC)			X	
WIC Farmers' Market Program			X	
Commodity Supplemental Food Program (CSFP)			X	X
National School Lunch Program (NSLP)		X		
School Breakfast Program		X		
Child and Adult Care Food Program (CACFP)	X			X
Summer Food Service Program		X		
Special Milk Program		X		
Nutrition Program for the Elderly (NPE)				X
The Emergency Food Assistance Program (TEFAP)	X			
Food Distribution Program on Indian Reservations (FDPIR)	X			
Charitable Institutions and Summer Camps Program	X			

^aThis program would target pregnant, postpartum, and breastfeeding women and merge the women and infants portion of CSFP with WIC.

^bThis program would merge the elder portions of the CACFP and CSFP with NPE.

Existing Programs Could Be Streamlined

Some state agency officials and interest group representatives told us that streamlining programs, rather than merging them, could improve program

Appendix III

USDA's Food Assistance Programs: Fiscal Year 1992 Funding and Average Monthly Benefits and Participation

Dollars and participant levels in millions

Food programs	Benefit costs	State admin. expenses	Total costs	Average benefit ^a	Child participants ^b	Elderly participants ^c	Total participants
Food Stamps ^d	\$20,902.3	\$1,420.2	\$22,322.5	\$68.57	13.3	1.8	25.4
NAP	975.6 ^e	30.3	1,005.9	54.22	0.6 ^f	0.2 ^f	1.5
WIC ^g	1,960.3	633.6	2,593.9	30.20	4.2	^h	5.4
CSFP	87.1	18.1	105.2	17.31 ⁱ	0.2	0.1	0.3
NSLP ^j	4,565.2	48.2	4,613.4	20.59	24.6	^h	24.6
School Breakfast ^k	786.8	8.9	795.7	17.78	4.9	^h	4.9
CACFP ^l	996.5	113.7	1,110.2	48.85	1.7	0.002 ^f	1.7
Summer Food ^m	184.7	19.1	203.8	32.66	1.9	^h	1.9
Special Milk	19.5	0.3	19.8	2.42 ⁿ	0.9	^h	(est.) 0.9 ^o
NPE	144.1	None	144.1	^o	^h	0.9	0.9 ^o
TEFAP	191.5	44.3	235.8	^o	^o	^o	^o
FDPIR	45.3	16.7	62.0	36.64	^o	^o	0.1
Charitable Institutions and Summer Camps	153.0	None	153.0	^o	^o	^o	^o
Total	\$31,011.9	\$2,353.4^e	\$33,365.3	^h	^h	^h	^h

(Table notes on next page)

A New Approach to Charity

Testimony Before the Committee on Small Business

by Reverend Robert A. Sirico, CSP

**The Acton Institute
for the Study of Religion & Liberty
in
Grand Rapids, Michigan
and
Member
The Michigan Civil Rights Commission
State of Michigan**

Ladies and Gentlemen of the Committee, what I'm about to say may surprise you. Although I am wearing a Roman collar, and I am here to testify about welfare policy, I want to express to you my fear about your appropriations of more and more money for the supposed purpose of serving the poor. I have not come here to push for any federal programs. I have a dismal view of your giving any more subsidies for charity. I am not encouraging you to expand hunger programs, food stamps, WIC, or any of the other one hundred or so welfare programs that the federal government offers.

These programs, we all know in our heart of hearts, haven't done the good they were supposed to have done. After thirty years experience, we know that government assistance has in fact failed to cure the social ills it was created to cure. Sadly, the welfare state has proven to be a cure worse than the disease. My belief is that, despite good intentions, these programs have reinforced dependency on the part of those who they are intended to help. They have created huge bureaucracies that discourage creativity and drain the energies of the private sector.

In fact, I am suggesting that you begin to diminish the role of the government in the provision of charity. To put it bluntly, government welfare invades territory which is properly the domain of communities, individuals, and churches. Ministering to the needs of others--both spiritually and materially--is what those of us in ministry are in business to do. Yet for

decades the federal government has set itself up as a competitor in this crucial business.

You have asked for my commentary on several facets of welfare reform. My area of expertise leads me to focus on what can be done to make private charity easier. I've had experience in homeless shelters, AIDS hospices, medical clinics, soup kitchens, meals on wheels, homes for unwed mothers, programs to help women out of a life of prostitution, hospitals that serve the poor and elderly, and much more. I have witnessed much suffering and much pain on the part of those in need. And I have witnessed heroic acts of charity and generosity, even more heroic acts of courage to overcome terrible odds.

In my experience, the charities that have really worked -- that have really met human needs -- have been primarily of those that rely on the voluntary efforts of people who care, and not from programs administered from this city. People involved in projects in their own communities often fulfill needs that are spiritual and emotional -- as well as material. It doesn't take years of experience to know this. We all know this intuitively, from what we read in the papers, and from reflecting on our own patterns of behavior. Here's a test. When any of us are in trouble of any sort, who are we more likely to call? A federal or state government agency? Or a local church or caring community group?

The question we face today is not what Congress can do for charities, but what Congress can let them do for themselves. Our focus should not be on how to expand the federal welfare state. It should be on how to make private charity an effective and normative alternative. Yet government welfare has a way of crowding out the good efforts of private charities and making itself the resource of first resort. I have seen this happen repeatedly in my work where local, private groups come to see their function as interesting the government in carrying out tasks that are properly their own. I have even had a professor of American Church history tell me that he believes that the role of the Church is not to feed the poor, but to lobby to see to it that the government takes on this responsibility. Yet, people give less to charity when they are taxed excessively. Additionally, people feel a lessened sense of obligation if they believe the poor are living off the earnings of others' taken by taxation. When government is omnipresent, reversing the gains of private charity with money and programs, private charity has a harder job instilling a sense of independence in people. The two

competitors operate on different philosophies. Private charity seeks to help people in need. Government welfare seeks to perpetuate the programs themselves. I believe these two philosophies are at odds with one another.

We should remind ourselves that the state cannot centrally plan authentic charity any more than we can centrally plan the direction of the economy. We must leave it to private individuals, trusting the goodness of the American people reach out to help others, as they would be inspired to do if the government would allow more room for the spontaneous actions of the non-government sector. Yet, there is no need to expect a dollar for dollar replacement of government dollars and private dollars. Much of the \$300 billion spent on government welfare does not reach the poor; rather, it fuels the welfare industry - the bureaucrats, caseworkers, and service providers. Private efforts are so effective that will not be necessary to transfer the same amount into their hands. The private sector is able to do more with less.

What, then, is the role of religious leaders in the reform of welfare? The political support for fundamental reform may be bipartisan, but the mainline religious establishments are lagging behind. Too many remain attached to old ways of providing for people's needs that rely primarily on government solutions. And I am all-too-well aware that religious leaders have denounced proposed cuts in loaded ethical terms.

These religious leaders are absolutely correct that the welfare debate is about more than technical issues like spending, budgeting, and deficits. Yet leaving efficiency aside, the modern welfare state substitutes itself for society and deprives society of its responsibility. It does this by creating public agencies which think bureaucratically instead of in terms of what is best for its clients. The welfare state has fundamental moral defects, among which are that it drains the creative energies out of recipient communities, diminishes the incentive for personal acts of charity, and relies on excessive uses of state power, which in turn results in vast increases in public spending.

There is broad consensus that the present welfare system should be overhauled. We must now decide when, how, and on what moral basis. A serious reform will require spending cuts and reordering of political priorities. The shakeup will change how the poor are served. For many, this will affect the structures of social authority and incentives for critical life-decisions.

There is, indeed, a role for religious voices in shaping the debate. It is to the credit of the American people that they will not tolerate radical changes in the welfare state that appear cruel, inhuman, or immoral. At the same time, more is required of religious leaders than simply blessing the present system and pushing for more government money for church-run charities.

Religious leaders and institutions need to step out in front of policy trends even while they affirm the charitable obligations of traditional faith. We need a more moral and more effective alternative to the welfare state, as can be found in the domain of the private non-profit and for-profit sector.

I believe there are ways the Congress can help in shifting the burden of welfare. It needs to shift from citizens, in their role as taxpayers, to citizens, in their role as good people with charitable hearts, assisted by professionals who can pursue their task without excessive government intervention. At the present time there are over 1 million non-profit organizations in across the country. Nearly 90 million Americans volunteer at least three hours a week at a non-profit group. Americans have proven themselves over and over again to be generous people. They will do more if they feel they are really needed.

Individual and family charitable contributions are made from discretionary income, that is, from funds that are left over from the family budget and from taxes. When taxes go up, the choice of where to put the marginal dollar cuts against charitable contributions. Over the last several decades, it has become more difficult to give to private charities and religious bodies of all sorts. Indeed, charitable contributions fell last year, according to a new report of the Independent Sector.

That is part of the reason we need to structure our tax system to make charitable giving more financially rewarding and less complex. For example, we could allow individuals to deduct 110 percent of their charitable contributions, thereby increasing the incentive to give. Or we could replace the charitable tax deduction with a tax credit, which would allow people to choose to use their money to support either public or private systems of welfare provision. These are questions for you to decide. What we need now is not so much a blueprint, but moral courage to pursue some common-sense plan with vigor, regardless of the opinion of some mainline religious leaders.

As you deliberate, think of the changes that would help your friends and family be better givers.

Another way to encourage charitable giving is to reduce taxes that hit families and businesses. Data from the eighties show that charities benefit when marginal tax rates are lower. Serious welfare reform must look at lowering the tax burden of individuals, families, and corporations and businesses so more people contribute voluntarily to charitable efforts.

We also need to make it easier for private and religious charities to administer to those in need without the government regulations that have impeded some innovative efforts in the past. Food, housing, zoning, safety, and marketing order regulations, for example, have forced small charities to choose between providing for people and complying with bureaucratic mandates.

As an example, at our food pantry in Grand Rapids, people often donated food they canned in their homes for distribution to the needy. Now we are told that we are forbidden by law from giving away these canned goods. How strange that this food can be given to middle-class neighbors, but may not reach those who need it. The FDA often acts as a barrier to food distribution. Whether it is meat provided by hunters in Texas or undersized fruit from California, it frequently does not reach people in need because of some burdensome regulation.

Even Mother Teresa has met with similar obstacles. In 1990 her order, the Missionary Sisters of Charity, wanted to renovate two old buildings in New York into needed homes for the homeless. The Sisters bore all the costs of the project, neither requesting nor receiving government money. The City intervened by insisting that they install a costly elevator for disabled clients. The nuns simply could not afford to do this. They requested a waiver, and expressed their willingness to carry any handicapped clients up and down the stairs whenever necessary, demonstrating their humble service to the disabled. Yet, the Director of the Office for People with Disabilities complained that this was not acceptable, and as a result Mother Teresa's plans for the home were dashed. These were city regulations, I know, but a similar mindset is now codified in federal law by the American With Disabilities Act.

Again, I am not offering you specific proposals. I am simply asking you to consider the effects of existing regulations. At the very least regulations

need to be relaxed for smaller charities that serve meals, give shelter to the homeless, and provide counseling services. Have faith in the good people who run these local projects. They see the poor face to face. They are acutely aware of their client's needs.

One of the perverse effects of the welfare state is that it diminishes and even purges the charitable impulse from people's hearts and minds. In economic jargon, this means that bad charity crowds out good charity. In moral terms, this effect represents the temptation to expect large institutions to do what is truly the responsibility of people of faith and compassion to do with private funds. And that is one of many reasons charitable giving declines when enthusiastic promoters of the welfare state controlled Congress and the executive branch.

I believe one of the unfortunate effects of government welfare is that it has encouraged many people to look at the poor with disdain, rather than compassion. They have been taxed to pay for the social programs, so they are tempted to think that they have done their part. The human instinct to help a neighbor in need has been dulled. This is a terrible tragedy, both for the client and for the one who should be giving. And it weakens the moral fabric of society as a whole. We have obligations to help those in need -- but our duty goes beyond -- far beyond -- merely paying taxes to fund a government program.

Data from 1950 to the present show that when government spending on welfare increases (or the public perceives that it is increasing) the percentage of personal income given to charity decreases. The post-war peak

of charitable giving, 2.6 percent of personal income, dates from the beginning of the Great Society. As the welfare state grew, along with the tax burden, charitable giving fell. This can be reversed; charitable donations will increase as governments cut back and the public is reminded of its moral obligations to serve others.

To encourage more voluntarism and financial support for charities that feed the poor, there must be a widely held public perception that real cut backs are occurring in government welfare spending. Without real cutbacks, people can say, "If I don't do it, the Government will." As an additional benefit, social resources can be returned to the private sector to be used for investment and growth instead of bureaucracy.

The best welfare program is a growing economy that encourages job creation and rising real wages. Excessive regulatory burdens depress job growth by increasing the costs of enterprise and labor, a point overlooked by many religious leaders. Economic growth also increases personal and discretionary income, which in turn reduces the costs, and thus increases the likelihood, of personal generosity.

To the extent that we have government programs, they should be administered primarily on the local level. Moral philosophers within my tradition have called this point the principle of subsidiary, which means that large governmental institutions need not take over what smaller ones can do. This principle should be understood and applied by all in Congress responsible for the reform of welfare programs. The closer the connection between the donor and the recipient of welfare, whether public or private, the more likely it is that the funds are going to be used wisely, fostering independence and personal growth on the part of the recipients.

The most important first step in this debate for religious leaders is to break the habit of coming to the defense of the welfare state anytime it is threatened by new ideas. Creating a new theology of welfare is not only politically wise; it is also the right thing to do for those most in need of our help.

For political leaders, the important first step is to admit the inability of government to do what the private sector can do better and more efficiently. The second is to make it easier for that private sector to do that job more easily. As moral obligations go, these steps may not suffice. But they are necessary, despite what other men in collars may tell you over the coming days.

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Paulist Father Robert A. Sirico is President of the Acton Institute for the Study of Religion and Liberty (161 Ottawa Ave., Ste. 301, NW, Grand Rapids, MI. 616/454-3080) The Acton Institute is a non-profit, non-political, inter-faith organization founded to promote an understanding of the moral foundations of the free market among religious leaders. Father Sirico's appearance before Congress does not necessarily reflect the view of the Civil Rights Commission of Michigan.

PUBLIC FOR FOOD & HEALTH POLICY **VOICE**

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FOR IMMEDIATE RELEASE:
December 21, 1994

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Personal Responsibility Act Would 'Play Havoc' with School Lunches, Forcing Many Schools to Offer No Program, Public Voice Says

Public Voice for Food and Health Policy said today that enactment of legislation consolidating ten major federal nutrition programs into a block grant could force many schools to offer no governmental school lunch program, leaving millions of elementary and secondary students to either go hungry or eat less healthy meals.

In a letter to Rep. Ron Wyden (D-OR), chairman of the House Small Business Subcommittee on Regulation, Business Opportunities, and Technology, Public Voice President Mark S. Epstein said the Personal Responsibility Act would "play havoc" with the National School Lunch Program, shifting responsibility to the states without providing adequate funds to continue the program at its current level.

The legislation would require states to invest time and money in crafting individual programs to replace a federal program that is improving, Epstein said, while it would eliminate federal safeguards that ensure nutritional integrity of school lunches. In addition, he said, it would give fast food companies an opportunity to take over food service at thousands of schools.

Epstein urged Congress to retain the federal program when it takes up the Personal Responsibility Act early next year. The bill was drafted by House Republicans as part of their "Contract with America."

PRA is 'Hardly Responsible'

"In our view, the Personal Responsibility Act is hardly responsible," said Epstein. "And it's impact on the public—especially poor children—would be way too personal." He suggested making cuts elsewhere in the Agriculture Department budget, including farm commodity subsidies, before resorting to "a legislative assault" on a program "that assists many of the youngest and most vulnerable Americans."

Epstein said Public Voice, a non-profit consumer organization that focuses on food issues, would be the first to admit that there is room for improvement in the federal government's role in the \$4 billion National School Lunch Program. For example, he said, for years the

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Agriculture Department has used the program to unload high-fat, surplus farm commodities.

But "this is hardly justification...for the kind of radical surgery included in the PRA," Epstein said. "It is highly ironic," he added, "that the program faces its most serious challenge in decades as it is about to undertake the most significant progress in years toward improving the nutritional quality of school meals....Consolidating the National School Lunch Program into a block grant at this point is a classic example of 'throwing the baby out with the bath water.'"

Under the National School Lunch Program, some 93,000 elementary and secondary schools receive approximately 30 cents in cash and commodities for each student they feed daily. Schools get even more financial assistance for low-income children, who receive free or reduced-price lunches.

The PRA would substitute a block grant for the National School Lunch Program, WIC, Food Stamps, and several other nutrition programs. Schools would be required only to use a portion of the block grant to provide meals for low-income students.

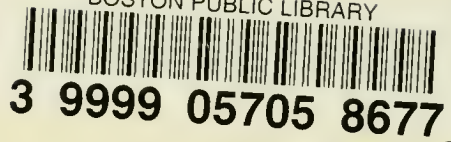
The block grant would be capped at a level significantly lower than current spending on the individual programs and would be subject to annual congressional appropriations. Since school lunches would no longer be an "entitlement," not every eligible low-income child would receive free or reduced-price meals.

PRA Could Prompt Thousands of Schools to Offer No Lunches

Eliminating the subsidy for non-poor students under the PRA could force many schools to offer no governmental school lunch program, Epstein said. He cited a 1985 Library of Congress estimate that cutting all child nutrition funding for non-poor students would jeopardize the National School Lunch Program in more than 40,000 schools. In addition, he said, an 11-cents-per-meal reduction in support for non-poor children in 1981 forced approximately three million students—a third of them low-income children—from the program.

"For many children, school lunches are the only nutritious meals they receive," Epstein said. "If school lunches weren't available, low-income students would simply go hungry while middle- and upper-income students would be served meals that are decidedly less healthy."

Public Voice, located in Washington, has a long-standing interest in the school lunch program and in increasing the nutritional quality of school meals. The nonprofit research, education, and advocacy organization promotes a safer, healthier, and more affordable food supply by fostering policies that enhance public health and protect the environment.



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December 21, 1994

The Honorable Ron Wyden
Chairman, Subcommittee on Regulation,
Business Opportunities, and Technology
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Wyden:

One of the first major pieces of legislation likely to be considered in the 104th Congress is the Personal Responsibility Act, drafted by House Republicans as part of their "Contract with America." Among other things, this legislation would consolidate ten major federal nutrition programs, including WIC and Food Stamps, into a block grant. One payment would be given to each state and all ten separate federal food assistance programs would end. The block grant would be capped at a level significantly lower than current spending on the individual programs.

Among the programs eliminated under the Personal Responsibility Act is one in which Public Voice has long taken a special interest—the National School Lunch Program. The PRA would repeal the enabling legislation for the program, requiring only that a portion of the block grant be used to provide meals to "economically disadvantaged students," with non-citizens excluded. Public Voice would be the first to say there is room for improvement in the federal government's role in the National School Lunch Program. For years, for example, the Agriculture Department has used the program to unload high-fat, surplus farm commodities. This is hardly justification, however, for the kind of radical surgery included in the PRA. Indeed, it is highly ironic that the program faces its most serious challenge in decades as it is about to undertake the most significant progress in years toward improving the nutritional quality of school meals. This progress is the product of years of heavy investment by Congress and the Agriculture Department. Consolidating the National School Lunch Program into a block grant at this point is a classic example of "throwing the baby out with the bath water."

Created by President Harry S. Truman to help protect the country's national security, the \$4 billion National School Lunch Program is today the largest federal child nutrition effort. Operating in more than 95 percent of the nation's elementary and secondary schools, it feeds 25 million children, more than half of the them from low-income families. Some 93,000

participating schools receive approximately 30 cents in cash and commodities for each student they feed daily. Schools get even more financial assistance for low-income children, who receive free or reduced-price lunches.

The benefits of serving children healthful school meals are well documented. Under the National School Lunch Program, students receive a third of their Recommended Daily Allowance for key nutrients such as protein, calcium, iron, zinc, and vitamins A, C, and B6. Through regulations, the Agriculture Department is requiring schools to improve the nutritional quality of their meals further. In addition, just two months ago, Congress passed legislation accelerating the timetable requiring schools to meet stiffer U.S. Dietary Guidelines. Indeed, a recent Public Voice research report, *Serving Up Success*, indicates that many school districts are already beginning to improve lunches by reducing fat and sodium and increasing fruits, vegetables, and grains.

The PRA would play havoc with this program by shifting responsibility for school lunches to the states without providing adequate funds to continue the program at its current level. It would require states to invest time and money in crafting individual programs to replace the federal program.

In fiscal year 1996 alone, overall funding for child nutrition programs would drop by nearly a fifth—from \$8.6 billion to \$7.1 billion. Some states could see reductions in food assistance dollars of more than nine percent. The block grant also would restrict administrative expenses, causing states to struggle to meet administrative costs. Because funding would be subject to the appropriations process, money could be cut even further in FY 1997. During recessions, when the need for help increases but additional federal dollars are scarce, funding for free and reduced-price school meals would decrease. Pressed for money, Congress could even choose to eliminate funding for nutrition programs altogether.

Since school lunches would no longer be an “entitlement,” not every eligible low-income child would receive free or reduced-price meals. Moreover, eliminating the subsidy for non-poor students could force many schools to offer no governmental school lunch program. The Library of Congress estimated in 1985 that eliminating all child nutrition funding for non-poor students would jeopardize the National School Lunch Program in more than 40,000 schools. In 1981, an 11-cents-per-meal reduction in support for non-poor children forced approximately three million children—a third of them low-income—from the program. For many children, school lunches are the only nutritious meals they receive. If school lunches weren’t available, low-income students would simply go hungry while middle- and upper-income students would be served meals that are decidedly less healthy.

The PRA also would abolish federal safeguards ensuring nutritional integrity of school lunches. Both the 1994 Child Nutrition Act and the Agriculture Department’s school lunch

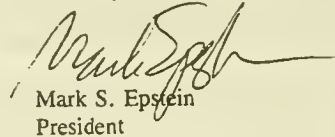
regulations would be null and void. Nutritional standards would be different in each state, with many states having few, if any. Nutrition education could be eliminated, and some schools would be unable to hire nutritionists or dietitians.

The elimination of the National School Lunch Program would give fast food companies the perfect opportunity to take over food service at thousands of schools. School lunch programs could turn into several a la carte lines, a series of vending machines, or food courts. There might well be no nutritional standards for these foods, and fast food companies would no longer have to offer free and reduced-price meals.

For all these reasons, in our view, the Personal Responsibility Act is hardly responsible. And its impact on the public—especially poor children—would be way too personal. Enactment of the PRA would amount to a legislative assault on a federal nutrition program that assists many of the youngest and most vulnerable Americans. Public Voice believes this program to be among the best possible investment expenditures. Investing in our children's nutrition enhances their odds of attaining maximum physical and intellectual development.

Public Voice doesn't argue that government spending does not have to be cut. But we feel Congress should look elsewhere in the Agriculture Department budget, including the farm commodity subsidies, before decimating a program that helps those who will someday be the backbone of our workforce. Public Voice urges you to keep the National School Lunch Program in place and reject legislation that would undermine a program that has enjoyed decades of bipartisan support.

Sincerely,



Mark S. Epstein
President

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